State of Utah

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30 2013

State Of Utah
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For The Fiscal Year Ended June 30, 2013

CONSTITUTIONAL OFFICERS OF THE STATE OF UTAH

Gary R. Herbert ..... Governor
Spencer J. Cox ..... Lt. Governor
John Dougall ..... State Auditor
Richard K. Ellis ..... State Treasurer
John E. Swallow ..... Attorney General
Wayne L. Niederhauser ..... President of the Senate
Rebecca D. Lockhart ..... Speaker of the House
Matthew B. Durrant ..... Chief Justice, Supreme Court

OTHER STATE OFFICIALS

Kimberly K. Hood ..... Executive Director, Department of Administrative Services
John C. Reidhead, CPA ..... Director, Division of Finance
Kristen Cox ..... Director, Governor's Office of Management and Budget
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John M. Schaff, CIA ..... Auditor General, Office of the Legislative Auditor General
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Special appreciation is given to all of the budget and accounting officers throughout the State whose extra time and effort made this report possible.

Department of Administrative Services: Division of Finance Accounting Standards and Financial Reporting Section

State of Utah
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2013

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State of Utah

GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

Department of Administrative Services

Kimberly K. Hood
Executive Director

Division of Finance

John C. Reidhead, CPA
Director

October 23, 2013

To the Citizens, Governor,
and Members of the Legislature
of the State of Utah:

It is our pleasure to present the 2013 Comprehensive Annual Financial Report of the State of Utah in accordance with Section 63A–3–204 of the *Utah Code*. Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the State's management. To the best of our knowledge and belief, the enclosed data accurately presents the State's financial position and results of operations in all material respects in accordance with generally accepted accounting principles (GAAP). We believe that all disclosures necessary to enable the reader to gain an understanding of the State's financial activities are included.

Internal Control. The State's systems of internal control over assets recorded in the accounting system have been designed to provide reasonable, but not absolute, assurance of safeguarding assets against loss from unauthorized use or disposition and to ensure the reliability of financial records for preparing financial statements. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the evaluation of costs and benefits requires estimates and judgments by management.

Independent Auditors. In compliance with state statute, an annual financial audit of the "State Reporting Entity" is completed each year by the Office of the Utah State Auditor in conjunction with other independent audit firms. Their audits were conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The Utah State Auditor's report and the unqualified opinion on the fair presentation of the Basic Financial Statements are included in the Financial Section of this report.

Single Audit. Federal regulations also require the State to undergo an annual "Single Audit" in conformance with the Federal Single Audit Act of 1984, as amended, and the U.S. Office of Management and Budget Circular A–133, *Audits of State and Local Governments and Non-Profit Organizations*. Information related to the Single Audit, including the schedule of expenditures of federal awards, audit findings and recommendations, summary of prior audit findings, and the Utah State Auditor's report, is issued in a separate report.

Management's Discussion and Analysis (MD&A). The discussion and analysis beginning on page 17 provides an overview and analysis of the State's Basic Financial Statements. This letter of transmittal is intended to complement the MD&A and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

Structure. As shown in the organizational chart on page 11, state government is divided into three separate branches: legislative, executive, and judicial. The duties of each branch are outlined in the *Constitution of Utah*, which can be amended only by vote of the Legislature and a majority vote of the State's citizens, and in the *Utah Code*, which can be amended by the Legislature or by citizen initiatives. State government provides various services to over 2,895,000 citizens. Services

include building and maintaining roads; providing public safety, health, and environmental protection services to protect the general welfare of the State's citizens; helping adults, children, and families through difficult times such as abuse, divorce, illness, death, and unemployment; fostering an attractive business climate to encourage economic growth; and protecting public lands and natural resources for conservation and recreational activities. The State also provides significant financial support to its higher education institutions, local governments, and school districts to help those entities meet the specific needs of their constituents.

The State Reporting Entity. The State Reporting Entity includes the *primary government* and its *component units*. The *primary government* of the State of Utah includes all funds, departments, agencies, and other organizational units governed by the Legislature or the constitutional officers of the State. In addition to these *primary government* activities, this report includes information related to component units for which the primary government is financially accountable. Although such information is provided in this report, the MD&A and Basic Financial Statements focus on the primary government and its activities. Separately issued financial statements are available from the significant discretely presented component units and should be read to obtain a better understanding of their financial conditions. Additional information on all discretely presented component units can be found in the notes to the financial statements (see Note 1. A. on page 65).

Budgetary Process and Control. The *Constitution of Utah* requires that budgeted expenditures not exceed estimated revenues and other sources of funding, including beginning fund balances. Annually, the Governor is required to submit a balanced budget for the governmental funds with an annual appropriated budget (General, Education, Transportation, Transportation Investment and Debt Service Funds), by function (e.g., health), and activity (e.g., medical assistance) to the Legislature. The Legislature authorizes expenditures by line item in the annual *Appropriations Acts*. Line item is the legal level of budgetary control. The Acts also identify the sources of funding for budgeted expenditures. In the event actual revenues are insufficient to cover budgeted expenditures, the Governor must order budget reductions or call a special session of the Legislature to address budget issues. Adjustments to the budget may also be made throughout the year for changes in departmental or fund revenues so that line items and funds will not end the fiscal year in a deficit position. For additional information on the budgetary process and control, see the notes to the Required Supplementary Information beginning on page 132.

INFORMATION USEFUL IN ASSESSING A GOVERNMENT'S ECONOMIC CONDITION

Local Economy. The Utah economy continued to improve faster than the nation in 2013. Utah's economic expansion is expected to continue into 2014, with broad-based growth throughout the private sector.

Utah's unemployment rate was 5.7 percent in 2012 and is expected to decline to 4.5 percent in 2013 and 4 percent in 2014. In 2012, personal income increased by 5 percent and nonagricultural wages increased by 5.8 percent. In 2013, personal income is expected to increase by 3.5 percent and nonagricultural wages are expected to increase by 4.8 percent. Taxable retail sales increased by 7.9 percent in 2012, and are expected to increase by the 4.6 percent in 2013. Total construction value was $4.3 billion in 2012, a 10.3 percent increase from the prior year. This increase marks the second year that construction value has increased as the local economy continues to rebound. In 2013, total construction value is expected to increase 7 percent. Residential construction was $2.6 billion in 2012, a 36.8 percent increase from the prior year. Residential permitted value is expected to increase to $2.9 billion in 2013, as housing plays a leading role in the economic recovery. In 2013, Utah population is estimated at 2,895,000, which is an increase of 1.5 percent over the prior year. Utah had positive net migration of approximately 5,000 people in 2012 and is expected to grow by another 5,000 in 2013. Utah has had positive net migration for the past 23 years and this trend is expected to continue in the coming years.

Industries. The employment environment continues to indicate strength in the Utah economy as it rebounds from the national recession that began in late 2007. Utah's nonagricultural employment growth is expected to increase by 3.4 percent in 2013, and by 3.6 percent in 2014, which is near the Utah average yearly rate of 3.1 percent (1950 through June 2013). All industrial sectors added jobs to Utah's employment base, with the exception of government in both the local and federal and state and higher education categories. The largest category, trade, transportation, and utilities led job growth with 10,500 new jobs. Retail trade contributed most of this growth with 5,600 new jobs. Leisure and hospitality provided 6,800 new jobs, with the majority in the food services and drinking places industries. The local and federal government category had an overall loss of 2,300 jobs. Local government led with a loss of 1,600 jobs. The federal government shed 700 jobs. This marks the fourth consecutive year of job losses at the federal level. State and higher education government shed 3,900 jobs. The tight spending environment at the federal level is expected to continue to lead federal employment down, and may lead to additional job losses at the state and local levels. The results for August 2012 to August 2013 are presented in the following table.

State of Utah
Jobs by Industry of Utah's Labor Force
(Expressed in Thousands)

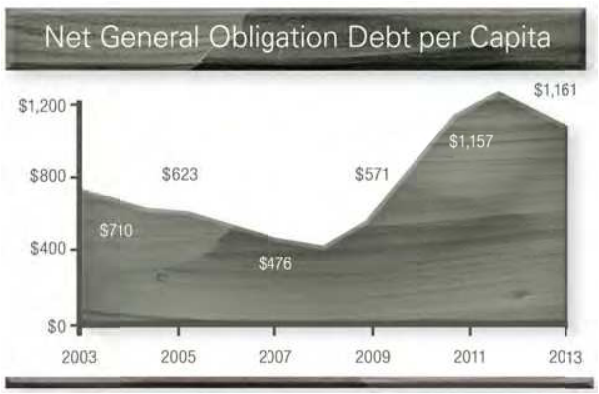
	Number of Jobs		Numerical Change	Percentage Change	Components of Labor Force
	2013 (est.)	2012	2012 to 2013	2012 to 2013	2013 (est.)
Trade, Transportation, and Utilities	253.6	243.1	10.5	4.3 %	19.8 %
Professional and Business	174.8	170.2	4.6	2.7 %	13.6 %
Education and Health Services	166.1	160.6	5.5	3.4 %	12.9 %
Government (Local/Federal)	142.9	145.2	(2.3)	(1.6)%	11.1 %
Manufacturing	120.4	117.8	2.6	2.2 %	9.4 %
Leisure and Hospitality	129.1	122.3	6.8	5.6 %	10.1 %
Construction	74.8	73.6	1.2	1.6 %	5.8 %
Financial Activities	73.8	70.4	3.4	4.8 %	5.7 %
Government (State/Higher Ed.)	63.1	67.0	(3.9)	(5.8)%	4.9 %
Other Services	36.5	35.8	0.7	2.0 %	2.8 %
Information	35.4	31.6	3.8	12.0 %	2.8 %
Natural Resources and Mining	13.2	12.9	0.3	2.3 %	1.0 %
Total	**1,283.7**	**1,250.5**	**33.2**		**100.0 %**

Source: Utah Department of Workforce Services and the U.S Bureau of Labor Statistics. August 2013.

Outlook. The national economy is expected to continue to recover slowly with growth below potential. As in prior recoveries, Utah has grown more rapidly than the nation, due in part to its position as a logistical hub for production and distribution. Utah's economic growth is expected to plateau during the second half of calendar year 2013, primarily due to uncertainty at the national level surrounding federal deficit reduction and scheduled across-the-board spending cuts known as sequester, which trickle down to the Utah economy. Despite these risk factors, a better year is expected for Utah in 2014 with housing and construction playing a leading role in the strengthening recovery.

FINANCIAL PLANNING AND POLICIES

Debt Administration. As part of long-term financial planning, the State has used a combination of bonding and "Pay-As-You-Go" methods to meet its infrastructure needs. In fiscal years 2004 through 2007 the State bonded less and primarily funded projects with the "Pay-As-You-Go" method using one-time and ongoing money. In fiscal years 2003, and 2008 through 2012, under budget constraints coupled with a low interest rate environment, the State elected to increase its debt by issuing bonds for highway and/or building projects that otherwise would have been funded from current resources. In fiscal year 2012, the State issued $609.9 million in general obligation bonds for capital facility and highway construction projects. In



fiscal year 2013, the State issued $33.2 million in general obligation bonds for capital projects and advance refunded $4.1 million of highway general obligation bonds to take advantage of continued low interest rates. As of June 30, 2013, the State's general obligation debt per capita was $1,161. In early fiscal year 2014, the State issued $226.2 million in general obligation bonds for highway construction. The State has an aggressive policy of repaying its general obligation debt within seven years for debt associated with capital facilities and fifteen years for highway construction projects. More information about the State's long-term debt is found in Note 10 to the Basic Financial Statements on page 100.

Revenue and Expenditure Forecasts. Economists and budget analysts from the Executive and Legislative branches of government work with experts from the private sector and academia to develop the consensus revenue forecast used for establishing the State's annual budget. The final 2013 consensus forecast projected combined General and Education Fund revenue growth of 4.81 percent in fiscal year 2013 and 2.84 percent in fiscal year 2014. The long-term average annual revenue growth rate, adjusted for inflation, was approximately 3.8 percent for fiscal periods 1971 through 2012.

Budget Stabilization. In accordance with Sections 63J–1–312 and 313 of the *Utah Code*, the State maintains the General Fund Budget Reserve Account in the General Fund (the "Rainy Day Fund") and an Education Fund Budget Reserve Account in the Education Fund (the "Education Reserve"). State law requires 25 percent of any revenue surplus in the General Fund to be deposited in the Rainy Day Fund and 25 percent of any revenue surplus in the Education Fund to be deposited in the Education Reserve, in each case up to a statutory limit. State law limits the totals of the Rainy Day Fund and Education Reserve based on the amount of appropriations from the General Fund and Education Fund, respectively, for the fiscal year in which the surplus occurred. For additional information on the State's budget stabilization accounts see Note 11.B. on page 115.

Public Education Growth. Projections indicate that an additional 13,300 new students will enroll in September 2013. Addressing this growth and future enrollment growth and the demands placed on state funding for public education continues to be a top priority for the Governor and the Legislature. The Office of the Legislative Fiscal Analyst developed a Public Education Distribution Model that allows legislators to see how proposed education policy changes will impact funding.

Medicaid Sustainability. The State implemented reforms in the Medicaid program in an effort to bring Medicaid growth more in line with overall state revenue growth. The reforms align financial incentives in the health care system by replacing the fee-for-service model with one or more risk-based delivery models. When a General Fund revenue surplus occurs, an amount representing the Medicaid growth savings from the new risk-based delivery models will be deposited into the "Medicaid Growth Reduction and Budget Stabilization Account." The account will then be used to meet the growing needs in the program.

Federal Funding. In an effort to prepare for potential future reductions in federal funding for critical state programs, Legislators passed a bill that requires certain state agencies including public education and higher education institutions to report specific federal funding information to the Legislature. Annually these entities must report total federal receipts received the preceding fiscal year in addition to providing contingency plans in the event federal receipts are reduced by either 5 percent or 25 percent.

During the 2013 General Session, the Legislature created the Federal Funds Commission to study and make recommendations on federal funding issues. The Commission will consider the financial stability of the federal government, the risk that the State will experience a reduction in the amount or value of federal funds, and methods to avoid or minimize the risk. Legislators also passed a bill that requires economists and budget analysts from the Executive and Legislative branches of government to consider expected changes in federal funding when preparing the annual revenue volatility report and, if appropriate, recommend changes to amounts or limits of reserve funds.

In addition, all federal funds for state agencies must go through the annual appropriations process. To gain tighter control over federal grants that span several years, the Legislature also requires multiyear grants to go through an approval and summary requirements process, including approval in the annual Appropriations Acts.

Spending Limitation. The State has a statutory appropriations limit. The appropriations limit adjusts annually pursuant to a statutory formula based on population and inflation. The definition of appropriations includes only appropriations from General Fund and Education Fund sources (spending for public education and for transportation is exempt from the limitation). For the fiscal year ended June 30, 2013, the State was $829.3 million below the appropriations limitation.

Adequate Funding for Ongoing Programs. The Legislature has been working toward ensuring all programs have adequate ongoing funding. Coming into the 2013 General Session of the Legislature, before accounting for growth in costs or revenue, the State was facing a structural imbalance of $25 million in public education for the 2014 fiscal year budget. A structural

imbalance occurs when ongoing programs are funded with one-time revenue. The first $25 million of ongoing revenue growth in the 2013 General Session covered the $25 million structural imbalance. A small structural imbalance of approximately $2 million remaining at the end of the 2013 General Session is associated with the cost of a new benefits program for State employees that replaced the current postemployment program related to sick leave benefits. Savings from the old program will offset the cost of the new program as employees retire, thus the structural imbalance is considered temporary.

Operating/Capital Expenditure Accountability. The Legislature requires an in-depth budget review carried out by the Legislative Fiscal Analyst's Office on at least one department or major program each year. In fiscal year 2013, the Analyst's Office also conducted a five-year fiscal sustainability review focusing on the General and Education funds to help legislators assess the State's budget condition.

MAJOR INITIATIVES

An economic expansion continues in the State of Utah. The consensus revenue forecast adopted during the 2013 General Session anticipates that fiscal year 2014 will mark the fourth consecutive year of growth in unrestricted General Fund and Education Fund revenue collections. The fiscal year 2012 revenue surplus of $46 million, an upward revision to the fiscal year 2013 revenue forecast, and additional growth of 2.8 percent projected for fiscal year 2014 resulted in approximately $425 million in new unrestricted revenue. This revenue, combined with savings resulting from lower-than-anticipated Medicaid costs, funding reallocations, and other one-time monies allowed Legislators to nearly eliminate a $25 million structural imbalance and allocate approximately $475 million in new discretionary resources to infrastructure needs, growth in public education, and other priorities, as described below:

Governor's Improvement 25% Initiative. In his 2013 State of the State Address, Governor Herbert called on state agencies to improve operations and services by 25 percent over the next four years as measured by a combination of quality, cost, and throughput (the rate at which a system can produce a service or product). With the support of the Governor's Office of Management and Budget (GOMB), state agencies are working to achieve this goal by leveraging agency expertise and implementing a set of management principles called the SUCCESS Framework. Further details and progress updates are available online at governor.utah.gov/gomb.

Public Education. Approximately 32 percent of new discretionary sources were allocated to public education. In addition to eliminating the structural imbalance, the Legislature appropriated $68.5 million to address enrollment growth of 2.2 percent and $47.8 million to increase the value of the Weighted Pupil Unit (WPU) by 2 percent. The WPU is the primary funding mechanism for public education. Other major new funding initiatives in public education include $10 million ($8.5 million one-time and $1.5 million ongoing) for a Science, Technology, Engineering, and Mathematics (STEM) Action Center, $7.5 million ongoing for early intervention and enhanced kindergarten programs that were previously funded one-time, $6.6 million ongoing for statewide computer adaptive testing infrastructure, and $4 million ongoing for the Beverly Taylor Sorenson Elementary Arts Learning Program.

Higher Education. State funding for higher education in fiscal year 2014 increased by approximately $110 million during the 2013 General Session. Higher education institutions and the State Board of Regents received $18 million ongoing to improve funding equity between the institutions and for specific priorities at each entity. Other major new funding initiatives for higher education include $54 million for the construction of a new classroom building at Utah Valley University (UVU), approximately $10.6 million ongoing for increased compensation-related costs, $6.5 million in fiscal year 2014 ($10 million ongoing thereafter) for increased enrollment at the University of Utah's School of Medicine, $5 million ongoing to increase capacity at the Utah College of Applied Technology campuses, and $4.5 million one-time for building designs on the Weber State University (WSU) and Utah State University (USU) campuses.

Social Services. The Legislature provided major new investments in social service programs, including $4.4 million ongoing for programs for people with disabilities, $2 million for Baby Watch Early Intervention, and $1.1 million to maintain services for youth aging out of Child and Family Services custody. The costs for these programs were offset by funding reallocations and savings associated with lower-than-anticipated Medicaid Costs. After accounting for new investments, net savings of approximately $16 million was available for other needs outside of social service programs.

Infrastructure. In addition to $58.5 million appropriated for the capital development at higher education campuses, the Legislature appropriated $36.3 million in state funds for an Ogden Juvenile Courts building ($29.3 million), completion of a State Hospital project ($5 million), and design of the second Unified State Lab module ($2 million). Approximately $46 million in new funds were allocated to the capital improvements budget, bringing the total budget to $87.7 million in fiscal year 2014 (1.06 percent of the replacement value of State buildings).

State Employee Other Postemployment Benefit Plan and Employee Compensation. For the State Employee Other Postemployment Benefit (OPEB) plan, the annual required contribution (ARC) of $37.6 million was used to establish the budget for fiscal years 2013 and 2014. The ARC represents a level of funding that, if paid on an ongoing basis, is actuarially projected to fund the benefits over a period of twenty years. The actual amount collected for fiscal year 2013 was slightly more than the ARC. The State has received a new OPEB valuation for fiscal year 2014. Legislators passed Senate Bill 7, *State Agency and Higher Education Compensation Appropriations*, to provide a 1 percent salary increase for state agency employees at a cost of $6.1 million.

AWARDS AND ACKNOWLEDGEMENTS

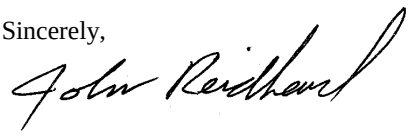
The Government Finance Officers Association (GFOA) awarded the *Certificate of Achievement for Excellence in Financial Reporting* to the State of Utah for its comprehensive annual financial report for the fiscal year ended June 30, 2012. This was the twenty-eighth consecutive year the State has achieved this prestigious award.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate. We are committed to this effort, and we intend to maintain a highly qualified and professional staff to make this certification possible.

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the Division of Finance, Department of Administrative Services. We also express our gratitude to the budget and accounting officers throughout state government, especially the Office of the Utah State Auditor, for their assistance.

Sincerely,



John C. Reidhead, CPA
Director of Finance

Government Finance Officers Association

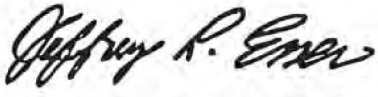
Certificate of Achievement for Excellence in Financial Reporting

Presented to

State of Utah

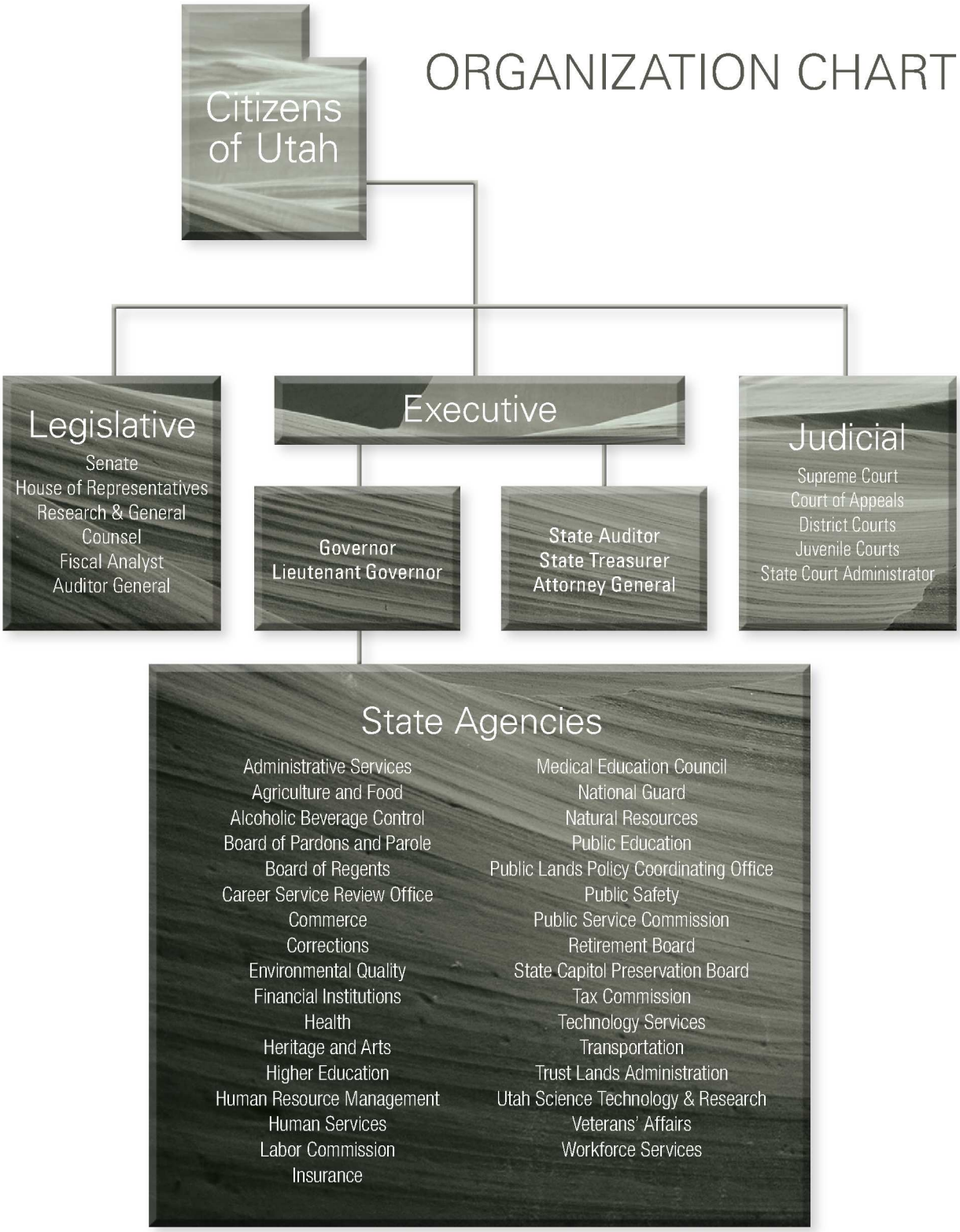
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012



Executive Director/CEO

ORGANIZATION CHART



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FINANCIAL SECTION

OFFICE OF THE
UTAH STATE AUDITOR

INDEPENDENT STATE AUDITOR'S REPORT

To Members of the Utah State Legislature
and
The Honorable Gary R. Herbert
Governor, State of Utah

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Utah (State) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the State's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Utah Housing Corporation, Utah Public Employees Health Program, the University of Utah's hospital and component units, or the Utah State University Research Foundation. These entities collectively represent 33 percent of the combined assets and deferred outflows of resources and 39 percent of the revenues of the aggregate discretely presented component units. Also, we did not audit the financial statements of Utah State Retirement Systems which represent 67 percent of the combined assets and deferred outflows of resources and 27 percent of the revenues/additions of the aggregate remaining fund information. The financial statements for these entities were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for these entities, are based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in

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the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the following information — management's discussion and analysis on pages 17–29, the budgetary comparison schedules on pages 132–136, and information about the State's other postemployment benefit plans and about infrastructure assets reported using the modified approach on pages 137–140 — be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State's basic financial statements. The supplementary information, such as the combining and individual fund financial statements and schedules on pages 144–207, and the other information, such as the introductory and statistical sections on pages 1–11 and 212–249, respectively, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules identified above are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures

performed as described above, and the reports of the other auditors, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2013, on our consideration of the State's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State's internal control over financial reporting and compliance.

Office of the Utah State Auditor

Office of the Utah State Auditor
October 23, 2013

INTRODUCTION

The following is a discussion and analysis of the State of Utah's financial performance and condition, providing an overview of the State's activities for the fiscal year ended June 30, 2013. Please read it in conjunction with the transmittal letter in the Introductory Section of this report and with the State's financial statements that follow this section.

HIGHLIGHTS

Government-wide

- Total assets and deferred outflows of resources of the State exceeded liabilities and deferred inflows of resources by $20.525 billion (reported as net position). Of this amount, $2.269 billion (unrestricted net position) may be used to meet the government's ongoing obligations while $18.256 billion is restricted for specific uses or invested in capital assets.

- The State's total net position increased by $1.537 billion or 8.1 percent over the prior year. Net position of governmental activities increased by $1.308 billion or 7.9 percent. Net position of business-type activities increased by $229.9 million or 9.1 percent.

Fund Level

- The governmental funds reported combined ending fund balances of $4.398 billion, an increase of $379.9 million in comparison with the prior year. Approximately 32.9 percent or $1.446 billion of the ending fund balance is considered unrestricted (committed, assigned, or unassigned) and is available for spending either at the government's discretion or upon legislative approval.

- The General Fund ended the fiscal year with a zero dollar surplus by using $350 thousand of the $138.8 million of General Fund budgeted revenues set aside for fiscal year 2014, to cover revenue shortfalls that occurred in fiscal year 2013. Because there was no revenue surplus, there were no statutory transfers from the General Fund to any stabilization or reserve accounts.

- The Education Fund ended the year with a $122.4 million "revenue surplus" after a statutory transfer of $119.5 million to the Education Budget Reserve Account.

- The State's stabilization accounts, the General Fund Budget Reserve Account (Rainy Day Fund) and the Education Budget Reserve Account, ended the fiscal year with balances of $134.1 million and $269.4 million, respectively.

- Overall, sales tax revenues in the governmental funds increased by 6.4 percent, which is slightly less than the 6.7 percent increase in the prior year. Tax revenues increased only 0.6 percent in the General Fund. Tax revenues in the Education Fund increased 13.8 percent, due in part to an improving economy. The increase was also due to federal tax changes that caused taxpayers to shift gains into tax year 2012 and pay the tax due in the State's fiscal year 2013.

Long-term Debt

- The State's long-term bonded debt decreased a net $16.3 million or 0.3 percent. General obligation bonds for the primary government decreased $299.2 million or 8.2 percent, while revenue bonds for the primary government increased $282.9 million or 21.2 percent.

OVERVIEW OF THE FINANCIAL STATEMENTS

This report includes the State's Basic Financial Statements, Required Supplementary Information, and Supplementary Information. The Basic Financial Statements include three components: government-wide financial statements, fund financial statements, and notes to the financial statements.

Government-wide Statements — Reporting the State as a Whole
The Statement of Net Position and the Statement of Activities beginning on page 33 together comprise the *government-wide financial statements*. These statements provide a broad overview of the State's finances as a whole with a long-term focus and are prepared using the *full-accrual* basis of accounting, similar to private-sector companies. This means all revenues and expenses are recognized regardless of when cash is received or spent, and all assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term debt, are reported at the entity level. The government-wide statements report the State's *net position* – the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources – and how it has changed from the prior year. Over time, increases and decreases in net position measure whether the State's overall financial condition is getting better or worse. In evaluating the State's overall condition, however, additional non-financial factors should be considered such as the State's economic outlook, changes in its demographics, and the condition of its capital assets and infrastructure. The government-wide statements report three activities:

- *Governmental Activities* – Most of the State's basic services fall under this activity including education, transportation, public safety, courts, corrections, health, and human services. Taxes and federal grants are the major funding sources for these programs.

- *Business-type Activities* – The State operates certain activities much like private-sector companies by charging fees to customers to cover all or most of the costs of providing the goods and services. Student loans, unemployment compensation, water loan programs, and liquor sales are examples of business-type activities.

- *Component Units* – A number of entities are legally separate from the State, yet the State remains financially accountable for them. Colleges and Universities, Utah Housing Corporation, and Utah State Fair Corporation are examples of component units.

Fund Financial Statements — Reporting the State's Most Significant Funds
The fund financial statements beginning on page 38 provide detailed information about individual major funds, not the State as a whole. A fund is a group of related accounts that the State uses to keep track of specific resources that are segregated for a specific purpose. Some funds are required by law to exist, while others are established internally to maintain control over a particular activity. All of the State's funds are divided into three types, each of which uses a different accounting approach:

- *Governmental Funds* – Most of the State's basic services are accounted for in governmental funds and are essentially the same functions reported as *governmental activities* in the government-wide statements. Governmental funds use the *modified accrual* basis of accounting, which measures the flow of current financial resources that can be converted to cash and the balances left at yearend that are available for future spending. This *short-term* view of the State's financial position helps determine whether the State has sufficient resources to cover expenditures for its basic services in the near future.

- *Proprietary Funds* – Proprietary funds include enterprise funds and internal service funds and account for state activities that are operated much like private-sector companies. Like the government-wide statements, proprietary fund statements are presented using the *full-accrual* basis of accounting. Activities whose customers are mostly outside of state government (e.g., water loans to local governments) are accounted for in *enterprise funds* and are the same functions reported as *business-type activities.* Thus, the *enterprise fund* financial statements reinforce the information reported for *business-type* activities in the government-wide statements, but provide more detail and additional information, such as cash flows. Activities whose customers are mostly other state agencies (e.g., motor pool) are accounted for in *internal service funds*. The internal service fund activities are consolidated with the governmental activities in the government-wide statements because those services predominantly benefit governmental rather than business-type activities.

- *Fiduciary Funds* – Fiduciary funds account for assets that, because of trust relationships, can be used only for trust beneficiaries. The State is responsible for ensuring these assets are used for their intended purposes. Fiduciary funds use *full-accrual* accounting, but are *not* included in the government-wide statements because their assets are not available to finance the State's own programs.

Reconciliation between Government-wide and Fund Statements
The financial statements include schedules on pages 40 and 44 that reconcile and explain the differences between the amounts reported for *governmental activities* on the government-wide statements (full-accrual accounting, long-term focus) with amounts reported on the *governmental* fund statements (modified accrual accounting, short-term focus). The following are some of the major differences between the two statements:

- Capital assets and long-term debt are included on the government-wide statements, but are not reported on the governmental fund statements.
- Capital outlay spending results in capital assets on the government-wide statements, but is expenditures on the governmental fund statements.
- Bond proceeds result in liabilities on the government-wide statements, but are other financing sources on the governmental fund statements.
- Certain tax revenues that are earned but not yet available are reported as revenue on the government-wide statements, but are unearned revenue on the governmental fund statements.

Notes to the Financial Statements
The notes beginning on page 64 provide additional schedules and information that are essential to a complete understanding of the financial statements. The notes apply to both the government-wide financial statements and the fund financial statements.

Required Supplementary Information (RSI)
Following the Basic Financial Statements are budgetary comparison schedules for major funds with legally adopted budgets and condition assessment data related to infrastructure. In addition, the RSI includes schedules on the funded status and employer contributions for the State's defined benefit Other Postemployment Benefit Plans. RSI further supports the information in the basic financial statements.

Supplementary Information
Supplementary Information includes combining statements for the State's nonmajor governmental, nonmajor enterprise, fiduciary funds, and for nonmajor discretely presented component units. This section also includes schedules which compare budgeted expenditures to actual results at the legal level of control, which is generally the line item level of the *Appropriations Acts*.

FINANCIAL ANALYSIS OF THE STATE AS A WHOLE

Net Position
The State's total net position increased $1.537 billion or 8.1 percent in fiscal year 2013. In comparison, net position in the prior year increased $927.3 million or 5.1 percent. This increase in total net position reflects a recovering economy and the active management of the State's resources. The change in net position is comprised of the following:

- *Net Investment in Capital Assets* – Total invested in capital assets net of related debt increased $707.8 million or 5.5 percent as the State's investment in highways and buildings exceeded depreciation and the net additional debt that was incurred to finance capital-related projects.
- *Restricted Net Position* – Total restricted net position increased $697.3 million or 17.2 percent over the prior year:
  Restricted net position of governmental activities increased $508.9 million or 19.6 percent. The increase was primarily due to a $309.1 million or 35.8 percent increase in the net position of expendable public education as a result of increased individual and corporate income tax revenues. The net position of nonexpendable public education also increased $253.6 million or 17.7 percent due to revenues generated from land use and sale of trust lands in the Permanent Trust Lands Fund.
  Restricted net position of business-type activities increased by $188.4 million or 12.9 percent, primarily due to a $154.3 million increase in the Unemployment Compensation Fund as unemployment compensation revenues exceeded related claims. Various loan programs provided an additional $28.6 million in loan capital from federal grants and investment income.
- *Unrestricted Net Position* – Total unrestricted net position in governmental activities increased $91.7 million or 8.5 percent due to an increase in carry-forward balances in the General Fund. Total unrestricted net position in business-type activities increased by $40.8 million or 3.9 percent as the State provided additional capital for various loan programs from mineral lease and dedicated sales tax revenues.

(Table on next page)

State of Utah
Net Position as of June 30
(Expressed in Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2013	**2012**	**2013**	**2012**	**2013**	**2012**
Current and Other Assets	$ 6,020,960	$ 5,605,005	$ 4,155,034	$ 4,210,974	$ 10,175,994	$ 9,815,979
Capital Assets	16,754,472	16,224,684	97,224	99,211	16,851,696	16,323,895
Total Assets	**22,775,432**	**21,829,689**	**4,252,258**	**4,310,185**	**27,027,690**	**26,139,874**
Deferred Outflows of Resources	—	—	—	—	—	—
Current and Other Liabilities	1,144,777	1,197,233	38,215	78,177	1,182,992	1,275,410
Long-term Liabilities	3,864,576	4,173,998	1,435,997	1,702,439	5,300,573	5,876,437
Total Liabilities	**5,009,353**	**5,371,231**	**1,474,212**	**1,780,616**	**6,483,565**	**7,151,847**
Fair Value of Interest Rate Swap Agreements	—	—	18,624	—	18,624	—
Deferred Inflows of Resources	—	—	**18,624**	—	**18,624**	—
Net Position:						
Net Investment in Capital Assets	13,481,005	12,773,959	14,012	13,293	13,495,017	12,787,252
Restricted	3,109,982	2,601,082	1,651,369	1,463,006	4,761,351	4,064,088
Unrestricted	1,175,092	1,083,417	1,094,041	1,053,270	2,269,133	2,136,687
Total Net Position	**$ 17,766,079**	**$ 16,458,458**	**$ 2,759,422**	**$ 2,529,569**	**$ 20,525,501**	**$ 18,988,027**
Percent change in total Net Position from prior year	7.9 %		9.1 %		8.1 %	

The largest component of the State's net position, 65.8 percent, reflects investments in capital assets (e.g., land, buildings, equipment, intangible assets, roads, and other infrastructure) less the outstanding debt issued to finance those assets. These types of assets are not available for future spending, nor can they be readily liquidated to pay off their related liabilities. Resources needed to repay capital-related debt must be provided from other sources.

Restricted net position comprises 23.2 percent of total net position and is subject to constitutional, legal, or external constraints on use. Net position that is restricted by the *Constitution of Utah* includes individual income and corporate income taxes that can be used only for public and higher education costs and motor fuel taxes that can be used only for transportation expenses.

The remaining balance of unrestricted net position may be used to meet the State's ongoing obligations, though certain laws and internally imposed commitments or assignments of resources further limit the purposes for which much of the net position may be used.

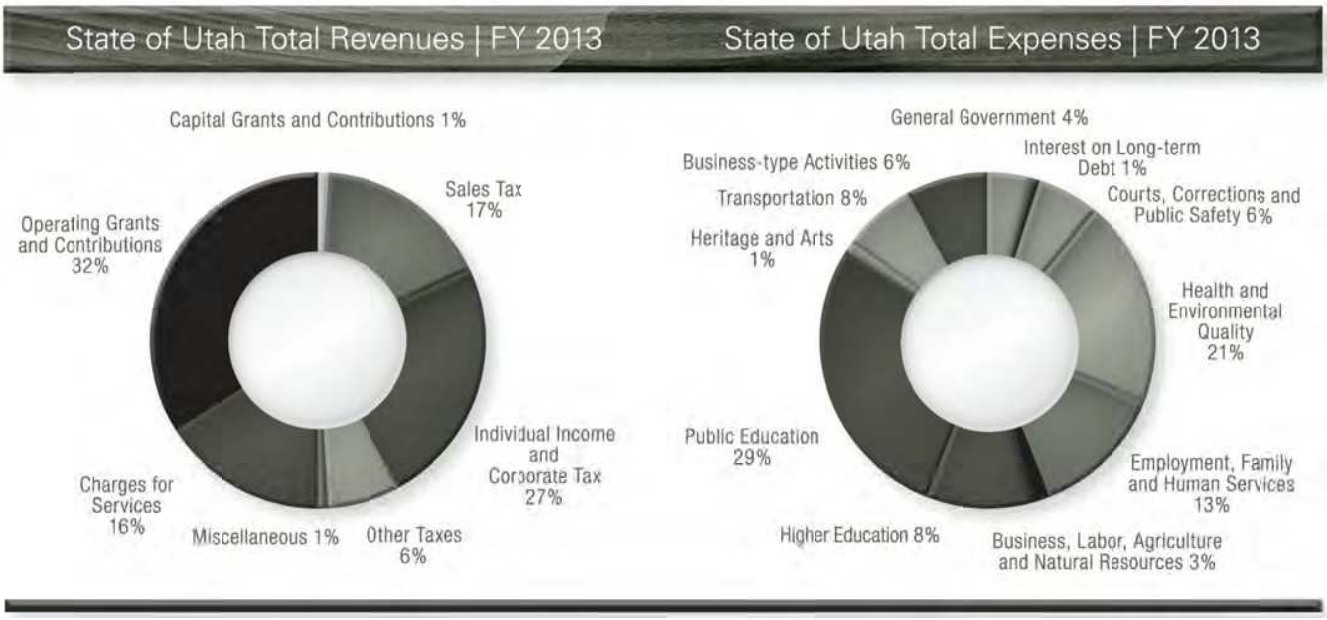
The following schedule and charts summarize the State's total revenues, expenses, and changes in net position for fiscal year 2013:

(Table on next page)

State of Utah
Changes in Net Position
for the Fiscal Year Ended June 30
(Expressed in Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government		Total Percentage Change
	2013	2012	2013	2012	2013	2012	2012 to 2013
Revenues							
General Revenues:							
Taxes	$ 6,105,839	$ 5,507,329	$ 25,891	$ 24,264	$ 6,131,730	$ 5,531,593	10.8 %
Other General Revenues	84,190	84,609	425	3,547	84,615	88,156	(4.0)%
Program Revenues:							
Charges for Services	1,113,403	1,159,972	805,445	778,316	1,918,848	1,938,288	(1.0)%
Operating Grants and Contributions	3,802,274	3,704,709	185,150	276,762	3,987,424	3,981,471	0.1 %
Capital Grants and Contributions	114,156	157,564	—	—	114,156	157,564	(27.5)%
Total Revenues	**11,219,862**	**10,614,183**	**1,016,911**	**1,082,889**	**12,236,773**	**11,697,072**	4.6 %
Expenses							
General Government	403,979	418,346	—	—	403,979	418,346	(3.4)%
Human Services/Juvenile Justice Services	671,831	646,565	—	—	671,831	646,565	3.9 %
Corrections	255,679	249,569	—	—	255,679	249,569	2.4 %
Public Safety	254,503	241,101	—	—	254,503	241,101	5.6 %
Courts	124,660	123,405	—	—	124,660	123,405	1.0 %
Health and Environmental Quality	2,261,781	2,148,195	—	—	2,261,781	2,148,195	5.3 %
Higher Education	884,775	1,115,301	—	—	884,775	1,115,301	(20.7)%
Employment and Family Services	781,305	712,388	—	—	781,305	712,388	9.7 %
Natural Resources	178,670	157,145	—	—	178,670	157,145	13.7 %
Heritage and Arts	26,063	154,759	—	—	26,063	154,759	(83.2)%
Business, Labor, and Agriculture	99,655	100,385	—	—	99,655	100,385	(0.7)%
Public Education	3,096,089	3,000,117	—	—	3,096,089	3,000,117	3.2 %
Transportation	836,488	761,760	—	—	836,488	761,760	9.8 %
Interest and Charges on Long-term Debt	112,994	121,192	—	—	112,994	121,192	(6.8)%
Student Assistance Programs	—	—	99,379	111,662	99,379	111,662	(11.0)%
Unemployment Compensation	—	—	307,444	436,880	307,444	436,880	(29.6)%
Water Loan Programs	—	—	12,828	19,045	12,828	19,045	(32.6)%
Community and Economic Loan Programs	—	—	2,420	2,604	2,420	2,604	(7.1)%
Liquor Retail Sales	—	—	213,395	201,976	213,395	201,976	5.7 %
Other Business-type Activities	—	—	75,361	47,341	75,361	47,341	59.2 %
Total Expenses	**9,988,472**	**9,950,228**	**710,827**	**819,508**	**10,699,299**	**10,769,736**	(0.7)%
Excess (deficit) Before Transfers	1,231,390	663,955	306,084	263,381	1,537,474	927,336	
Transfers	76,231	43,091	(76,231)	(43,091)	—	—	
Prior Period Adjustments and Restatements	—	—	—	—	—	—	
Change in Net Position	**1,307,621**	**707,046**	**229,853**	**220,290**	**1,537,474**	**927,336**	
Net Position – Beginning as Adjusted	16,458,458	15,751,412	2,529,569	2,309,279	18,988,027	18,060,691	
Net Position – Ending	**$ 17,766,079**	**$ 16,458,458**	**$ 2,759,422**	**$ 2,529,569**	**$ 20,525,501**	**$ 18,988,027**	8.1 %

(*Charts on next page*.)


State of Utah Total Revenues | FY 2013
Capital Grants and Contributions 1%
Sales Tax 17%
Operating Grants and Contributions 32%
Individual Income and Corporate Tax 27%
Charges for Services 16%
Miscellaneous 1%
Other Taxes 6%
State of Utah Total Expenses | FY 2013
General Government 4%
Interest on Long-term Debt 1%
Business-type Activities 6%
Transportation 8%
Courts, Corrections and Public Safety 6%
Heritage and Arts 1%
Health and Environmental Quality 21%
Public Education 29%
Employment, Family and Human Services 13%
Higher Education 8%
Business, Labor, Agriculture and Natural Resources 3%

Changes in Net Position

This year the State received 50.1 percent of its revenues from state taxes and 33.5 percent of its revenues from grants and contributions, primarily from federal sources. In the prior year, state taxes accounted for 47.3 percent and grants and contributions were 35.4 percent of total revenues. Charges for goods and services such as licenses, permits, liquor sales, park fees, and court fees, combined with other miscellaneous collections, comprised 16.4 percent of total revenues in fiscal year 2013, compared to 17.3 percent in fiscal year 2012.

Governmental Activities

The State's total governmental revenues from all sources increased $598.1 million or 10.7 percent. Tax revenues increased $598.5 million or 10.9 percent. This increase in taxes reflects a recovering economy, the timing of tax revenue received and accrued at yearend, and one-time acceleration of tax payments due to federal tax changes. These increases are similar to the increase at the fund level. However, due to differences in measurement focus and timing of collections, the increase at the government-wide level should not be used to predict future increases at the fund statement or budget level. With the exception of Transportation, Higher Education, General Government, and Public Safety as discussed below, other significant changes in governmental activities' revenues and expenses mirror the changes in the governmental funds. For further discussion, see the section entitled "Financial Analysis of the State's Governmental Funds" on page 23.

- *Transportation* – Expenses increased $74.7 million, as compared to the prior year, primarily due to a decrease in the amount spent for capital outlay (i.e. land, state roads, and bridges.) In the prior year, expenses were lower because the amount expended for capital outlay was higher. The amount expended for capital outlay is not reported as expenses, but as an asset on the government-wide statements.
- *Higher Education* – Expenses decreased $230.5 million, as compared to the prior year due to a decrease in the amount spent by the primary government for building projects completed and transferred to colleges and universities. When these buildings are completed, ownership is transferred to the colleges and universities and reported as expenses on the government-wide statements. However there is no impact on the governmental fund statements.

The following table shows to what extent program revenues (charges for services and grants) covered program expenses. For fiscal year 2013, program revenues covered $5.030 billion, or 50.4 percent of $9.988 billion total program expenses. For the remaining $4.958 billion or 49.6 percent of program expenses, the State relied on state taxes and other general revenues.

State of Utah
Net Cost of Governmental Activities
for the Fiscal Year Ended June 30
(Expressed in Thousands)

	Program Expenses	Less Program Revenues	Net Program (Expenses) / Revenues		Program Revenues as a Percentage of Program Expenses	
	2013	2013	2013	2012	2013	2012
General Government	$ 403,979	$ 401,469	$ (2,510)	$ 27,952	99.4 %	106.7 %
Human Services/Juvenile Justice Services	671,831	288,163	(383,668)	(365,775)	42.9 %	43.4 %
Corrections	255,679	5,274	(250,405)	(244,057)	2.1 %	2.2 %
Public Safety	254,503	137,150	(117,353)	(95,811)	53.9 %	60.3 %
Courts	124,660	55,454	(69,206)	(65,545)	44.5 %	46.9 %
Health and Environmental Quality	2,261,781	1,815,642	(446,139)	(431,031)	80.3 %	79.9 %
Higher Education	884,775	1,923	(882,852)	(1,113,521)	0.2 %	0.2 %
Employment and Family Services	781,305	652,380	(128,925)	(66,573)	83.5 %	90.7 %
Natural Resources	178,670	127,154	(51,516)	(41,444)	71.2 %	73.6 %
Heritage and Arts	26,063	8,176	(17,887)	(98,681)	31.4 %	36.2 %
Business, Labor, and Agriculture	99,655	97,403	(2,252)	(4,437)	97.7 %	95.6 %
Public Education	3,096,089	789,372	(2,306,717)	(2,367,500)	25.5 %	21.1 %
Transportation	836,488	650,273	(186,215)	59,632	77.7 %	107.8 %
Interest and Charges on Long-term Debt	112,994	—	(112,994)	(121,192)	0.0 %	0.0 %
Total Governmental Activities	**$ 9,988,472**	**$ 5,029,833**	**$ (4,958,639)**	**$ (4,927,983)**	50.4 %	50.5 %

Business-type Activities
Changes in the State's business-type activities mirror the changes noted in the State's proprietary funds. The changes in the State's proprietary funds are detailed in the section entitled "Financial Analysis of the State's Proprietary Funds" on page 27. Revenues from the State's business-type activities decreased $66 million or 6.1 percent from the prior year. The decrease was due to a $98.8 million decrease in operating grants in the Unemployment Compensation Fund, offset by a $21.6 million increase in liquor sales due to higher sales volume and small increases in various other business-type activities. Total expenses for the State's business-type activities decreased $108.7 million or 13.3 percent. The decrease in expense is reflected in the Unemployment Compensation Fund ($129.4 million), Student Assistance Programs ($12.3 million), and Water Loan Programs ($6.2 million), offset by a $24.7 million increase in expense for benefit claims within the Federal Health Insurance Pool and increases in various other business-type activities.

All of the State's business-type activities operate primarily from program revenues, except for the Water Loan Programs and the Agriculture Loan Fund that by law receive dedicated sales tax revenues and the Community Impact Loan Fund that receives federal mineral lease revenues transferred from the General Fund to provide additional capital for loans. Accounting standards require unemployment taxes that are collected from employers and deposited in the Unemployment Compensation Fund to be reported as charges for services rather than taxes. Therefore, taxes in the business-type activities are comprised entirely of sales tax revenues in the water and agriculture loan programs.

FINANCIAL ANALYSIS OF THE STATE'S GOVERNMENTAL FUNDS

Fund Balances
At June 30, 2013, the State's governmental funds reported combined ending fund balances of $4.398 billion. Of this amount, $1.815 billion or 41.3 percent is nonspendable, either due to its form or legal constraints, and $1.137 billion or 25.8 percent is restricted for specific programs by external constraints, constitutional provisions, or contractual obligations. Unspent bond proceeds, revenue restricted for public education, revenue that derives from the operation of motor vehicles on public highways, and mineral lease revenues are included in restricted fund balance. An additional $1.189 billion or 27 percent of total fund balance has been committed to specific purposes. Committed amounts cannot be used for any other purpose unless approved by the Legislature. An additional $257.4 million or 5.9 percent of total fund balance has been assigned to specific purposes, as expressed by legislative intent. There was no unassigned fund balance available for future appropriations at yearend.

State of Utah
Governmental Fund Balances as of June 30, 2013
(Expressed in Thousands)

	General Fund	Education Fund	Transportation Fund	Transportation Investment Fund	Trust Lands Fund	Nonmajor Funds	Total
Nonspendable	$ 112,950	$ —	$ 11,980	$ —	$ 1,690,261	$ —	$ 1,815,191
Restricted	41,931	832,770	170,891	1,731	—	89,362	1,136,685
Committed	496,795	—	44,768	457,759	—	189,868	1,189,190
Assigned	193,770	—	1,500	—	—	62,086	257,356
Unassigned	—	—	—	—	—	—	—
Total	**$ 845,446**	**$ 832,770**	**$ 229,139**	**$ 459,490**	**$ 1,690,261**	**$ 341,316**	**$ 4,398,422**
Percent change from prior year	14.7 %	32.2 %	3.5 %	(26.5)%	17.7 %	(7.4)%	9.5 %

General Fund
During fiscal year 2013, the General Fund's total fund balance increased by $108.1 million or 14.7 percent. The increase was primarily due to growth in revenue. The General Fund ended the year with a zero dollar surplus, or unassigned fund balance, by using $350 thousand of the $138.8 million of General Fund budgeted revenues set aside for fiscal year 2014. This left $138.4 million set aside in the budget and assigned by the Legislature for fiscal year 2014 appropriations.

Specific changes in the General Fund balance included the following:

- Nonspendable fund balance increased by $75.3 million or 200 percent due to changes in the following: (***1***) Prepaid items increased $44.3 million due to new contracts within the Medicaid program. This changed payments for health care from a fee-for-service plan to a per member per month (capitated) plan, requiring payments in advance. (***2***) The long-term portion of revolving loans within Internal Services Funds increased $30.8 million due to a change in projections for repayment.
- Restricted fund balance increased by $2.2 million or 5.5 percent due to increases in revenues set aside for specific purposes due to constraints that are imposed externally or by law.
- Committed fund balance increased by $7.3 million or 1.5 percent, primarily due to an $11.9 million increase in monies set aside for committed purposes, offset by a $3.4 million decrease in agency carry-forward monies. In addition, the remaining increase in the committed fund balance was the result of the Legislature appropriating $1.1 million to the General Fund Budget Reserve Account (Rainy Day Fund), which ended the year with a balance of $134.1 million.
- Assigned fund balance increased $34.7 million due, in part, to a $100.6 million increase in the amount set aside for the next year's budget and a $9.4 million increase in tax accruals assigned by law. These increases were offset by a $44.3 million increase in prepaid items and $30.8 million increase in long-term loans receivable, both of which reduce the assigned fund balance to be classified as nonspendable fund balance.
- Unassigned fund balance had a zero balance at yearend, which was a decrease of $11.3 million as resources were used for the fiscal year 2013 budget.

Total tax collections in the General Fund increased $11.3 million or 0.6 percent. Sales and use tax increased $27.9 million, or 1.8 percent. The increase was offset by a $16.7 million or 4.7 percent decrease in other taxes, primarily severance tax as a result of lower energy prices and production. Overall, sales tax revenue in all governmental funds increased $123.5 million or 6.4 percent due to an improving economy. However, due to a statutory increase in sales tax for highway projects, certain sales tax was deposited in the Transportation Investment Fund. See section entitled "Transportation Investment Fund" on page 26.

Total General Fund non-tax revenues decreased $19.2 million or 0.6 percent, explained as follows: Charges for services increased $40.9 million or 10.4 percent, driven by demand for government services. This increase was offset, in part, by a $45.6 million or 24.8 percent decrease in federal mineral lease revenue due to a large one-time bonus payment of $24.3 million in the prior year and also due to lower energy prices. Federal contracts and grants decreased slightly by $15.9 million or 0.6 percent, due in part to a reduction in federal funding from the American Recovery and Reinvestment Act (ARRA). The impact of federal budget reductions due to sequestration at the federal level was not significant to the State in fiscal year 2013.

Overall, total General Fund expenditures increased by $139.2 million or 2.5 percent as the State responded to an improving economy and an increase in the public's demand for some government services. Significant changes in expenditures occurred in the following areas:

- *Heritage and Arts* – Total expenditures decreased $116.2 million as compared to the prior year primarily because the housing programs were moved by the Legislature from (the Department of) Heritage and Arts (known as Community and Culture in the prior year) to Employment and Family Services (Department of Workforce Services), beginning in fiscal year 2013. Excluding the housing programs, expenditures in Heritage and Arts decreased $1.3 million or 5.9 percent due to net budget reductions.
- *Health and Environmental Quality* – Total expenditures increased $107.5 million or 5 percent due to overall growth in the Medicaid program costs. Specifically, the increase was due to an increase in supplemental payments, the timing of payments resulting from a shift to an Accountable Care Organizations model from a fee-for-service model, and caseload growth of 2.2 percent.
- *Employment and Family Services* – Total expenditures increased $69.7 million primarily because the housing programs were moved from Heritage and Arts to Employment and Family Services beginning in fiscal year 2013, adding an additional $97.3 million in expenditures. The housing programs decreased $17.8 million from the prior year as more funds were loaned than granted (expensed), due to the recovering economy. Expenditures decreased 27.7 million compared to the prior year when excluding the housing programs in the comparison, in part because expenditures for food stamps decreased 21.2 million due to a decrease in the number of individuals receiving benefits. The unemployment insurance program administrative costs also decreased $6.2 million due to a reduction in claims.
- *Natural Resources* – Total expenditures increased $25.7 million or 9.9 percent due to an increase in funding provided for fire suppression, and restoration and rehabilitation work related to the extensive damage caused by fires during the 2012 wildfire season.
- *Human Services and Juvenile Justice Services* – Total expenditures increased $23.9 million or 3.7 percent primarily due to funding increases in provider rates, services provided for people with disabilities, mental health services and initiatives, and child and family services.

Budgetary Highlights — General Fund

The Legislature adopted the initial fiscal year 2013 budget during the 2012 General Session (January to March 2012). The original revenue estimates in the General Fund budget at the start of fiscal year 2013, excluding department-specific revenue sources such as federal grants and departmental collections, and including miscellaneous transfers, were 2.1 percent higher than the final fiscal year 2012 budget. The increase was due to growth in the sales and use tax and other miscellaneous revenue due to the recovering economy. Budgeted expenditures were 1.4 percent higher than the final fiscal year 2012 budget. The Governor and Legislature were able to balance the original fiscal year 2013 budget with revenue growth and carry-over resources.

The fiscal year 2013 budget was again addressed during the 2013 General Session of the Legislature (January to March 2013). General revenue estimates had increased only slightly from the original estimates adopted during the 2012 General Session. Although general sales and use tax estimates increased by $22.4 million, other general revenues had decreased for an overall increase to the final fiscal year 2013 budget of only $556 thousand. The increased revenue estimates and reallocated base budget resources allowed the Legislature to set aside $138.8 million for fiscal year 2014 appropriations. In the end, taxes and other unrestricted revenues ended the year $15.9 million below final budgeted amounts.

Final budgets of department-specific revenue sources decreased from original budgets primarily due to a decrease in expected federal contracts and grants. Actual department-specific revenues decreased from final budgets due to a decrease in certain miscellaneous revenues. Final budgets for many of the departmental-specific revenue sources and related expenditures such as federal grants, departmental collections, and miscellaneous revenues, are generally revised based on actual collections. The difference between final budgeted expenditures and actual expenditures is primarily due to nonlapsing and unspent restricted funds that will be carried forward to the next year. However, $2.9 million of unspent budgeted dollars were lapsed back to the General Fund by agencies.

Education Fund

Restricted fund balance in the Education Fund increased by $203.1 million or 32.2 percent from the prior year as revenues exceeded expenditures and transfers out. Amounts set aside for fiscal year 2014 appropriations increased by $15.7 million. Tax accruals restricted by law for education decreased by $16.9 million. The amount unspent and carried forward for education decreased by $20.5 million.

In addition, the Education Fund ended the year with a $122.4 million "revenue surplus" after a statutory transfer to the Education Fund Budget Reserve Account, a budget stabilization account. In the event of a "revenue surplus" in the Education Fund, state law requires 25 percent of the surplus to be transferred to the Education Fund Budget Reserve Account, plus an additional 25 percent to repay prior year transfers out of the fund. At the 2013 fiscal yearend, $119.5 million was transferred to the Education Fund Budget Reserve Account. The account ended the fiscal year with a balance of $269.4 million.

Overall, total revenue in the Education Fund increased by $390.7 million or 11.4 percent. Individual income tax increased by $346.8 million or 13.8 percent and corporate income taxes increased $44.2 million or 15.5 percent. These increases are due, in part, to an improving economy, and also the timing of tax revenue received and accrued at yearend. Income tax collections have been particularly strong due to federal tax changes which caused taxpayers to shift gains into tax year 2012 and pay the tax due in the State's fiscal year 2013. These increases were offset by a $13 million or 2.5 percent decrease in federal contracts and grants due to a decrease in federal funding provided by ARRA.

Overall, expenditures increased by $97.3 million or 3.2 percent in the Education Fund. The increase was due to a $75.6 million increase in the Minimum School program, primarily to provide for student enrollment growth. Expenditures also increased by $19.3 million due to additional funding spent for the Child Nutrition and Initiative Programs.

Transportation Fund
Total fund balance in the Transportation Fund increased $7.7 million or 3.5 percent from the prior year. Restricted fund balance increased by $8.1 million or 5 percent primarily due to an increase in unspent balances of restricted fees. Committed fund balance increased $2.7 million or 6.5 percent due to an increase in sales and use tax collections for highway projects, which was unspent at yearend. Assigned fund balance decreased by $3.6 million or 70.4 percent due to a decrease in unspent general revenues appropriated to the Transportation Fund. Nonspendable inventory increased by $397 thousand or 3.4 percent.

Overall, transportation revenues decreased by $101 million or 8.8 percent. The decrease resulted from the following changes in revenue as compared to the prior year:

- Federal contracts and grants decreased by $55.2 million or 12.1 percent as a result of timing differences related to highway construction projects, as explained below.
- Miscellaneous and other revenues decreased $31.7 million or 47.5 percent due to a decrease in revenue received from cooperative agreements with local governments for construction projects.
- Federal aeronautics revenue decreased $22.9 million or 100 percent as the program was reevaluated and will no longer be reported within the Transportation Fund, because it is pass-through funding for local airports.
- Sales and use tax revenues statutorily designated for transportation projects increased $5.1 million or 7.4 percent due to an improving economy.

Expenditures for the Transportation Fund decreased by $135.8 million or 12.5 percent, in part due a decrease in expenditures related to federal aeronautics. As noted above, this program will no longer be reported within the Transportation Fund. The balance of the decrease was due to timing differences related to highway construction projects, as explained below. Other financing sources decreased by $13.1 million, primarily because of a $6.9 million decrease in federal mineral lease revenue.

Authorized federal funding for highway construction remains relatively stable from year to year. However, the spending of state and federal revenue reflects the timing of highway construction projects, which is impacted by a variety of circumstances such as environmental studies or existing weather conditions. In addition, the Department of Transportation has discretion on allocating federal funds among projects, which impacts the amount of federal revenue reported in the Transportation Fund.

Transportation Investment Fund
Fund balance in the Transportation Investment Fund decreased by $165.3 million or 26.5 percent from the prior year. Restricted fund balance decreased $208.3 million or 99.2 percent, as general obligation bond proceeds and other restricted revenues were used for highway projects. The committed fund balance increased $43.1 million or 10.4 percent due to unspent sales tax revenue at yearend.

Overall, revenues increased $23.9 million or 5.8 percent. Sales and use tax revenues statutorily reallocated from use in the General Fund to use for highway projects increased $90.4 million or 33.6 percent (Senate Bill 229, 2011 General Session, *Transportation Funding Revisions*). This increase was offset by a $65 million decrease in miscellaneous and other revenue as a result of a cooperative agreement with a county for construction projects that occurred in the prior year. Other financing sources decreased by $679.7 million or 158.2 percent, primarily due to a $646.4 million decrease in general obligation bond proceeds and premiums received in the prior year compared to zero bonds issued and proceeds received in the current year. Expenditures decreased by $454.1 million or 56.5 percent from the prior year due to decreased spending on highway construction projects, including the completion of the I-15 Core Project and the first phase of the Mountain View Corridor Project.

Trust Lands Fund
The fund balance of the permanent Trust Lands Fund increased by $253.6 million or 17.7 percent. Revenue generated from land use and sales of trust lands contributed $95.8 million. The remaining change was due to an increase in investment values because of general market conditions. The permanent fund also generated $38.1 million of cash investment earnings that is

earmarked for distribution to local school districts. The principal in the fund is held in perpetuity (nonspendable), with earnings restricted primarily to support public education.

FINANCIAL ANALYSIS OF THE STATE'S PROPRIETARY FUNDS

Student Assistance Programs
The net position of the Student Assistance Programs increased by $6 million or 1.5 percent, due to changes in total assets, liabilities, and deferred inflows of resources. Total assets decreased by $275.1 million; however, total liabilities also decreased by $299.7 million. These changes were primarily due to a significant decrease in student loans receivable as a result of the discontinuation of the Federal Family Education Loan Program (FFELP) by the federal government. The change was also due to the refunding of certain bonds causing a decrease in investments and bonds payable. Of total net position of $392.4 million, $324.2 million is restricted for use within the programs by bond covenants or federal law.

Unemployment Compensation Fund
The State's average unemployment rate for fiscal year 2013 decreased from the prior year. Federal grant revenue decreased $101 million or 57.8 percent due to a reduction in Emergency Unemployment Compensation (EUC) benefits, including a $30.5 million reduction in funding provided by ARRA. The decline in federal grant revenue was offset by a slight increase in employer tax revenue of $3.6 million due to rate increases from the prior year. Expenditures decreased $129.4 million or 29.6 percent due fewer claims paid and an improving economy. Employer taxes and other revenues exceeded benefit payments resulting in the increase of net position of $154.3 million or 29.6 percent. The entire net position of $675.5 million is restricted for paying unemployment benefits by state and federal law.

Water Loan Programs
The net position of the Water Loan Programs increased $38.9 million or 4.8 percent from the prior year. Additional capital for loans was provided from $25.4 million in dedicated sales tax revenues, $15.7 million in federal grants, and $12.9 million interest on loans. These increases were offset by program grant expenses of $9 million, interest expense of $2 million, and other operating expenses of $1.9 million. Of total net position of $848.6 million, $401.7 million is restricted for use within the Water Loan Programs by federal grant requirements and $168.6 million is restricted as pledged receivables for outstanding revenue bonds.

Community Impact Loan Fund
The net position of the Community Impact Loan Fund increased $24.8 million or 4.1 percent from the prior year, primarily due to transfers into the fund of $18.7 million from federal mineral lease revenues to provide capital for loans, $6.9 million from interest on notes and mortgages, and $1.1 million from investment income. There is no restriction on the fund's net position.

CAPITAL ASSET AND LONG-TERM DEBT ADMINISTRATION

Capital Assets
The State's capital assets increased a net $527.8 million during the year. The change consisted of net increases in infrastructure (i.e., state roads and bridges) of $1.82 billion; land and related assets of $71.2 million; building and improvements of $17.4 million; machinery and equipment of $9.5 million; and software of $3.7 million. Construction in progress decreased a net $1.394 billion during the year. Several buildings financed by the State are actually owned by the colleges and universities, which are discrete component units of the State. Therefore, while the capital assets are on the component unit's financial statements, any outstanding debt issued by the State to finance construction of those assets is reported as a liability of the State's governmental activities. This in turn reduces unrestricted net position. As of June 30, 2013, the State had $262.3 million of outstanding debt related to capital assets of component units**.**

At June 30, 2013, the State had commitments in capital projects funds of $151.048 million for building projects and $52.2 million for highway construction and improvement projects. The State also had commitments of $370.3 million for road construction and other contract commitments in the Transportation Fund. Funding for the commitments will come from existing resources in these funds and funding from future appropriations and bond proceeds.

The State has adopted an allowable alternative to reporting depreciation for state roads and bridges (infrastructure assets) maintained by the Utah Department of Transportation (UDOT). Under this alternative method, referred to as the "modified approach," UDOT must maintain an asset management system and demonstrate that the infrastructure is being preserved at or above established condition levels. Infrastructure assets accounted for under the modified approach are not depreciated, and maintenance and preservation costs are expensed.

The State's established condition level for state roads is to maintain a certain percentage of mileage at a "fair" or better condition. The Interstate system has a target of 95 percent rated as "fair" or better, Level 1 roads (over 2,000 Average Daily Traffic) at 90 percent, and Level 2 roads (under 2,000 Average Daily Annual Traffic) at 80 percent. The most recent condition assessment completed in 2012 (calendar year basis), indicated that 99.5 percent of Interstate, 93.5 percent of Level 1 and 82.1 percent of Level 2 roads were in "fair" or better condition. These results reflect an improvement in conditions compared to calendar year 2011, when 98.3 percent of Interstate, 93.2 percent of Level 1 and 82.7 percent of Level 2 roads were assessed as "fair" or better condition.

The State's established condition level for bridges is to maintain 50 percent with a rating of "good" and no more than 15 percent of bridges with a "poor" rating. The most recent condition assessment, completed in April 2013, indicated that 72.4 percent and 1 percent of bridges were in "good" and "poor" condition, respectively. These results reflect a slight change in conditions from 2012 when 71.6 percent of the bridges were assessed as "good" or better, and 1 percent assessed were in "poor" condition.

During fiscal year 2013, the State spent $386 million to maintain and preserve roads and bridges. This amount is 69 percent above the estimated amount of $229 million needed to maintain these assets at established condition levels.

More information about capital assets is included in Note 8 on page 97, and more detailed information on the State's modified approach for reporting infrastructure is presented in the Required Supplementary Information on pages 139 and 140.

Long-term Debt

The *Constitution of Utah* authorizes issuing general obligation debt only as approved by the Legislature. The *Constitution* also limits the total general obligation indebtedness of the State to an amount equal to 1.5 percent of the value of the total taxable property of the State. The *State Appropriation and Tax Limitation Act* (i.e., statutory debt limit) further limits the outstanding general obligation debt of the State to not exceed 45 percent of the maximum allowable state budget appropriation limit. As of June 30, 2013, the State was $733 million below the debt limit established in the *Constitution* and $922 million below the statutory debt limit.

Revenue bonds of the State Building Ownership Authority are not backed by the general taxing authority of the State, but are payable from revenue provided through appropriations of the Legislature or other operating revenues. Revenue bonds of the Student Assistance Programs and Water Loan Programs are not backed by the general taxing authority of the State, but are payable solely from specific fees or loan repayments as pledged in the bond indentures.

State of Utah
Net Outstanding Bonded Debt as of June 30
(Expressed in Millions)

	Governmental Activities		Business-type Activities		Total Primary Government		Total Percentage Change
	2013	2012	2013	2012	2013	2012	2012 to 2013
General Obligation Bonds	$ 3,360.9	$ 3,660.1	$ —	$ —	$ 3,360.9	$ 3,660.1	(8.2)%
Revenue Bonds:							
State Building Ownership Auth.	200.4	212.7	85.5	90.1	285.9	302.8	(5.6)%
Student Assistance Programs	—	—	1,274.3	969.6	1,274.3	969.6	31.4 %
Water Loan Progams	—	—	57.5	62.4	57.5	62.4	(7.9)%
Total Bonds Payable	**$ 3,561.3**	**$ 3,872.8**	**$ 1,417.3**	**$ 1,122.1**	**$ 4,978.6**	**$ 4,994.9**	(0.3)%

Total general obligation bonds payable net of premiums, discounts, and deferred amounts on refunding decreased $299.2 million (offset by a $282.9 million increase in revenue bonds payable for an overall net decrease of $16.4 million during the fiscal year.) The State issued $37.3 million of general obligation bonds during the fiscal year as the State sought to take advantage of lower interest rates to fund capital facility projects and advance refund portions of prior general obligation bonds. Of the general obligation bonds issued, $33.2 million was for capital facility construction and $4.1 million was for advance refunding. In addition, the State issued a total of $546 million of revenue bonds. Of the revenue bonds issued, $1.9 million was for capital facility construction, $25.4 million was used to advance refund portions of prior revenue bonds to take advantage of lower interest rates, and $518.7 million was used to advance refund outstanding notes payable in the Student Assistance Programs.

The State's active management of its resources has helped the State maintain its triple-A rating on general obligation bonds from all three national rating agencies, and double-A rating on lease revenue bonds from two national rating agencies from which ratings were sought. These ratings are the best available and save millions of dollars in interest each year because the State is able to obtain very favorable interest rates on new debt. Note 10 beginning on page 100 contains more information about the State's outstanding debt.

ECONOMIC OUTLOOK AND NEXT YEAR'S BUDGET

Original general revenue estimates of the General Fund for fiscal year 2014 are 4.4 percent higher than actual fiscal year 2013 revenues. Original estimates of the Education Fund for fiscal year 2014 are 5.2 percent lower than actual fiscal year 2013 revenues. The Legislature balanced the 2014 budget through increased projected revenue collections, savings resulting from lower-than-anticipated Medicaid costs, funding reallocations, and other one-time monies.

Preliminary data for fiscal year 2014 show tax revenues to be in line with the estimates. The overall unemployment rate is expected to be 4.5 percent in 2013, down from the average 2012 rate of 5.7 percent. Taxable retail sales are expected to increase 4.6 percent in 2013 and increase 4.5 percent in 2014. Personal income is expected to increase 3.5 percent in 2013, and 5.5 percent in 2014. Because these indicators are measured on a calendar year basis, the impact on the State budget will not be fully realized until well into fiscal year 2014. The Governor and Legislature will review the fiscal year 2014 budget again during the upcoming 2014 General Session and take action as necessary to ensure a balanced budget.

CONTACTING THE STATE'S DIVISION OF FINANCE

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the State's finances and to demonstrate the State's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the Department of Administrative Services: Division of Finance, Financial Reporting Section at 2110 State Office Building, Salt Lake City, UT, 84114, phone (801) 538-3082 or visit our Web site at: www.finance.utah.gov.

The preceding discussion and analysis focuses on the State's primary government operations. With the exception of a few nonmajor component units, the State's component units each issue separate audited financial statements that include their respective management's discussion and analysis. Component unit statements may be obtained from their respective administrative offices or from the Office of the Utah State Auditor, Utah State Capitol Complex, East Office Building, Suite E310, Salt Lake City, UT 84114.

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BASIC FINANCIAL STATEMENTS

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Statement of Net Position

June 30, 2013 (Expressed in Thousands)

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Cash and Cash Equivalents	$ 1,440,501	$ 1,089,892	$ 2,530,393	$ 959,503
Investments	944,035	20,087	964,122	2,532,578
Taxes Receivable, net	979,456	2,629	982,085	—
Accounts and Interest Receivable, net	664,329	189,847	854,176	488,555
Amounts Due From:				
Component Units	60,070	—	60,070	—
Primary Government	—	—	—	643
Prepaid Items	76,708	2,268	78,976	19,687
Inventories	19,552	32,896	52,448	72,809
Internal Balances	10,642	(10,642)	—	—
Restricted Investments	1,607,995	122,713	1,730,708	762,755
Restricted Receivables	—	—	—	60,708
Notes/Loans/Mortgages/Pledges Receivable, net	25,115	2,534,879	2,559,994	1,019,649
Capital Lease Payments Receivable, net	103,620	—	103,620	—
Pledged Loans Receivables	—	152,832	152,832	—
Other Assets	88,937	17,633	106,570	102,453
Capital Assets:				
Land and Other Non-depreciable Assets	1,696,373	22,687	1,719,060	268,809
Infrastructure	13,014,337	—	13,014,337	—
Construction in Progress	567,262	—	567,262	242,085
Buildings, Equipment, and Other Depreciable Assets	2,637,551	111,060	2,748,611	6,827,583
Less Accumulated Depreciation	(1,161,051)	(36,523)	(1,197,574)	(2,993,761)
Total Capital Assets	16,754,472	97,224	16,851,696	4,344,716
Total Assets	22,775,432	4,252,258	27,027,690	10,364,056
DEFERRED OUTFLOWS OF RESOURCES				
Fair Value of Interest Rate Swap Agreements	—	—	—	25,373
Total Deferred Outflows of Resources	0	0	0	25,373
LIABILITIES				
Accounts Payable and Accrued Liabilities	967,795	33,171	1,000,966	408,804
Amounts Due to:				
Component Units	634	9	643	—
Primary Government	—	—	—	60,070
Securities Lending	—	—	—	28,856
Unearned Revenue	176,348	4,840	181,188	106,559
Deposits	—	195	195	107,307
Long-term Liabilities (Note 10)				
Due Within One Year	496,346	197,884	694,230	298,258
Due in More Than One Year	3,368,230	1,238,113	4,606,343	2,257,822
Total Liabilities	5,009,353	1,474,212	6,483,565	3,267,676
DEFERRED INFLOWS OF RESOURCES				
Fair Value of Interest Rate Swap Agreements	—	18,624	18,624	—
Fair Value of Forward Sales Contracts	—	—	—	24,353
Total Deferred Inflows of Resources	0	18,624	18,624	24,353
NET POSITION				
Net Investment in Capital Assets	13,481,005	14,012	13,495,017	3,321,650
Restricted for:				
Transportation	158,879	—	158,879	—
Public Education – Expendable	1,172,449	—	1,172,449	—
Public Education – Nonexpendable	1,690,261	—	1,690,261	—
Higher Education – Expendable	—	—	—	837,481
Higher Education – Nonexpendable	—	—	—	700,460
Capital Projects	1,731	—	1,731	—
Debt Service	—	168,617	168,617	159,693
Unemployment Compensation and Insurance Programs	4,117	675,521	679,638	194,761
Loan Programs	—	807,231	807,231	—
Other Purposes – Expendable	82,545	—	82,545	724
Unrestricted	1,175,092	1,094,041	2,269,133	1,882,631
Total Net Position	$ 17,766,079	$ 2,759,422	$ 20,525,501	$ 7,097,400

The Notes to the Financial Statements are an integral part of this statement.

Statement of Activities

For the Fiscal Year Ended June 30, 2013 (Expressed in Thousands)

Activities	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government:				
Governmental:				
General Government	$ 403,979	$ 182,731	$ 218,738	$ —
Human Services and Juvenile Justice Services	671,831	18,204	269,959	—
Corrections	255,679	4,743	531	—
Public Safety	254,503	61,543	75,607	—
Courts	124,660	53,900	1,554	—
Health and Environmental Quality	2,261,781	268,753	1,546,889	—
Higher Education	884,775	—	1,923	—
Employment and Family Services	781,305	16,602	635,778	—
Natural Resources	178,670	85,685	41,469	—
Heritage and Arts	26,063	2,316	5,860	—
Business, Labor, and Agriculture	99,655	86,962	10,441	—
Public Education	3,096,089	82,676	706,696	—
Transportation	836,488	249,288	286,829	114,156
Interest and Other Charges on Long-term Debt	112,994	—	—	—
Total Governmental Activities	9,988,472	1,113,403	3,802,274	114,156
Business-type:				
Student Assistance Programs	99,379	63,727	41,615	—
Unemployment Compensation	307,444	384,114	86,554	—
Water Loan Programs	12,828	13,464	17,152	—
Community and Economic Loan Programs	2,420	11,152	3,371	—
Liquor Retail Sales	213,395	293,978	328	—
Other Business-type Activities	75,361	39,010	36,130	—
Total Business-type Activities	710,827	805,445	185,150	0
Total Primary Government	$ 10,699,299	$ 1,918,848	$ 3,987,424	$ 114,156
Component Units:				
Utah Housing Corporation	$ 76,240	$ 83,983	$ —	$ —
Public Employees Health Program	512,883	519,234	9,094	—
University of Utah	3,235,121	2,546,304	491,942	59,900
Utah State University	580,749	184,876	233,145	21,498
Nonmajor Colleges and Universities	1,033,630	440,054	251,723	69,531
Nonmajor Component Units	75,181	37,482	2,506	—
Total Component Units	$ 5,513,804	$ 3,811,933	$ 988,410	$ 150,929
General Revenues:				
Taxes:				
Sales and Use Tax				
Individual Income Tax Imposed for Education				
Corporate Tax Imposed for Education				
Motor and Special Fuel Taxes Imposed for Transportation				
Other Taxes				
Total Taxes				
Investment Income				
State Funding for Colleges and Universities				
State Funding for Other Component Units				
Gain on Sale of Capital Assets				
Miscellaneous				
Permanent Endowments Contributions				
Transfers—Internal Activities				
Total General Revenues and Transfers				
Change in Net Position				
Net Position—Beginning				
Adjustment to Beginning Net Position				
Net Position—Beginning as Adjusted				
Net Position—Ending				

The Notes to the Financial Statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
$ (2,510)	$ —	$ (2,510)	$ —
(383,668)	—	(383,668)	—
(250,405)	—	(250,405)	—
(117,353)	—	(117,353)	—
(69,206)	—	(69,206)	—
(446,139)	—	(446,139)	—
(882,852)	—	(882,852)	—
(128,925)	—	(128,925)	—
(51,516)	—	(51,516)	—
(17,887)	—	(17,887)	—
(2,252)	—	(2,252)	—
(2,306,717)	—	(2,306,717)	—
(186,215)	—	(186,215)	—
(112,994)	—	(112,994)	—
(4,958,639)	0	(4,958,639)	0
—	5,963	5,963	—
—	163,224	163,224	—
—	17,788	17,788	—
—	12,103	12,103	—
—	80,911	80,911	—
—	(221)	(221)	—
0	279,768	279,768	0
(4,958,639)	279,768	(4,678,871)	0
—	—	—	7,743
—	—	—	15,445
—	—	—	(136,975)
—	—	—	(141,230)
—	—	—	(272,322)
—	—	—	(35,193)
0	0	0	(562,532)
2,054,290	25,891	2,080,181	—
2,969,128	—	2,969,128	—
331,080	—	331,080	—
351,553	—	351,553	—
399,788	—	399,788	—
6,105,839	25,891	6,131,730	0
6,726	—	6,726	82,810
—	—	—	736,973
—	—	—	32,137
30,580	—	30,580	—
46,884	425	47,309	—
—	—	—	40,947
76,231	(76,231)	—	—
6,266,260	(49,915)	6,216,345	892,867
1,307,621	229,853	1,537,474	330,335
16,458,458	2,529,569	18,988,027	6,840,059
—	—	—	(72,994)
16,458,458	2,529,569	18,988,027	6,767,065
$ 17,766,079	$ 2,759,422	$ 20,525,501	$ 7,097,400

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Governmental Fund Financial Statements

General Fund

This fund is the principal operating fund of the State. It accounts for all financial resources not accounted for and reported in another fund.

Education Fund

This fund accounts for all corporate and income taxes that support public and higher education in the State. This fund is also used to account for specific revenues and expenditures that support public elementary and secondary schools and the State Office of Education.

Transportation Fund

This fund is maintained to account for revenues and expenditures associated with highway construction and maintenance. Principal funding is provided from dedicated highway user taxes, fees, and federal funds.

Transportation Investment Fund

This capital projects fund is used to account for revenues and expenditures associated with the construction and reconstruction of specific state and federal highways. Projects designated for the Transportation Investment Capacity program are accounted for within this fund. Funding is provided from highway general obligation bonds, federal funds, vehicle registration fees, sales and use taxes, and appropriations.

Trust Lands

This permanent fund accounts for land grants and the sale of lands received from the federal *Enabling Act*. The principal in the fund is perpetual with the earnings used primarily to support public education.

Nonmajor Funds

Nonmajor governmental funds are presented by fund type beginning on page 144.

Balance Sheet
Governmental Funds

June 30, 2013 (Expressed in Thousands)

	General	Special Revenue: Education	Special Revenue: Transportation	Capital Projects: Transportation Investment
ASSETS				
Cash and Cash Equivalents	$ 607,949	$ 352,443	$ 181,390	$ 86,264
Investments	60,844	187,967	70,070	346,589
Receivables:				
Accounts, net	424,375	142,753	65,468	—
Accrued Interest	46	—	—	—
Accrued Taxes, net	225,098	682,316	43,510	28,532
Notes/Mortgages, net	930	10,805	161	—
Capital Lease Payments, net	—	—	—	—
Due From Other Funds	30,909	723	352	—
Due From Component Units	280	1	—	—
Prepaid Items	67,790	—	—	—
Inventories	800	—	11,980	—
Interfund Loans Receivable	59,235	—	—	—
Other Assets	—	—	—	—
Total Assets	$ 1,478,256	$ 1,377,008	$ 372,931	$ 461,385
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable and Accrued Liabilities	$ 478,279	$ 189,704	$ 133,910	$ —
Due To Other Funds	26,010	783	5,242	—
Due To Component Units	94	533	—	—
Unearned Revenue	128,427	353,218	4,640	1,895
Total Liabilities	632,810	544,238	143,792	1,895
Fund Balances:				
Nonspendable:				
Long-term Portion of Interfund Loans Receivable	44,360	—	—	—
Prepaid Items	67,790	—	—	—
Inventories	800	—	11,980	—
Permanent Fund Principal	—	—	—	—
Restricted	41,931	832,770	170,891	1,731
Committed	496,795	—	44,768	457,759
Assigned	193,770	—	1,500	—
Total Fund Balances	845,446	832,770	229,139	459,490
Total Liabilities and Fund Balances	$ 1,478,256	$ 1,377,008	$ 372,931	$ 461,385

The Notes to the Financial Statements are an integral part of this statement.

Permanent Trust Lands	Nonmajor Governmental Funds	Total Governmental Funds
$ —	$ 148,689	$ 1,376,735
1,607,995	278,565	2,552,030
4,375	16,826	653,797
649	8	703
—	—	979,456
10,519	—	22,415
—	103,620	103,620
5,268	1,754	39,006
—	59,184	59,465
—	—	67,790
—	—	12,780
—	—	59,235
79,044	—	79,044
$ 1,707,850	$ 608,646	$ 6,006,076
$ —	$ 135,827	$ 937,720
1,206	24,147	57,388
7	—	634
16,376	107,356	611,912
17,589	267,330	1,607,654
—	—	44,360
—	—	67,790
—	—	12,780
1,690,261	—	1,690,261
—	89,362	1,136,685
—	189,868	1,189,190
—	62,086	257,356
1,690,261	341,316	4,398,422
$ 1,707,850	$ 608,646	$ 6,006,076

Reconciliation of the Balance Sheet — Governmental Funds To the Statement of Net Position

June 30, 2013 (Expressed in Thousands)

Total Fund Balances for Governmental Funds ……		$ 4,398,422
Total net position reported for governmental activities in the Statement of Net Position is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds: (See Note 8)		
Land and Related Non-depreciable Assets	$ 1,696,356	
Infrastructure, Non-depreciable	13,014,337	
Construction-In-Progress	566,973	
Buildings, Equipment, and Other Depreciable Assets	2,413,483	
Accumulated depreciation	(1,027,759)	16,663,390
Some of the State's earned revenues will be collected after yearend, but are not available soon enough to pay for the current period's expenditures, and therefore are unearned in the funds. …..……..		435,564
Internal service funds are used by management to charge the costs of certain activities, such as insurance, technology services, and fleet operations to individual funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of the internal service funds are included in governmental activities in the Statement of Net Position. .....….....		65,889
Bond issue costs are reported as current expenditures in the funds. However, issue costs are amortized over the life of the bonds and are included in the governmental activities in the Statement of Net Position. ……..		9,470
Long-term receivable (see Note 5) and prepaid item not available in the current period and therefore are not reported in the funds:		
Settlement Agreements, Receivable	4,000	
Other Postemployment Benefit Prepaid	6,047	10,047
Long-term liabilities and related accrued interest are not due and payable in the current period and therefore are not reported in the funds: (See Note 10)		
General Obligation and Revenue Bonds Payable	(3,423,384)	
Unamortized Premiums	(159,869)	
Amount Deferred on Refunding	22,513	
Accrued Interest Payable	(1,256)	
Pollution Remediation Obligation	(6,222)	
Settlement Agreements, Liability	(25,020)	
Compensated Absences	(185,711)	
Capital Leases	(23,213)	
Contracts Payable	(9,335)	
Other Postemployment Benefit Obligation	(5,206)	(3,816,703)
Total Net Position of Governmental Activities …….		$ 17,766,079

The Notes to the Financial Statements are an integral part of this statement.

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Statement Of Revenues, Expenditures, And Changes In Fund Balances
Governmental Funds

For the Fiscal Year Ended June 30, 2013 (Expressed in Thousands)

		Special Revenue		Capital Projects
	General	Education	Transportation	Transportation Investment
REVENUES				
Taxes:				
Sales and Use Tax	$ 1,619,537	$ —	$ 74,291	$ 359,671
Individual Income Tax	—	2,865,195	—	—
Corporate Tax	—	329,726	—	—
Motor and Special Fuels Tax	—	—	351,197	—
Other Taxes	338,478	39,450	9,797	—
Total Taxes	1,958,015	3,234,371	435,285	359,671
Other Revenues:				
Federal Contracts and Grants	2,532,330	512,469	399,162	—
Charges for Services/Royalties	434,967	1,244	90,791	—
Licenses, Permits, and Fees	27,153	5,203	80,521	73,099
Federal Mineral Lease	138,122	—	—	—
Intergovernmental	—	—	—	—
Investment Income	6,569	39,273	946	1,734
Miscellaneous and Other	214,126	28,830	35,041	—
Total Revenues	5,311,282	3,821,390	1,041,746	434,504
EXPENDITURES				
Current:				
General Government	326,209	—	—	—
Human Services and Juvenile Justice Services	665,861	—	—	—
Corrections	248,528	—	—	—
Public Safety	221,534	—	—	—
Courts	129,693	—	—	—
Health and Environmental Quality	2,248,205	—	—	—
Higher Education – State Administration	51,901	—	—	—
Higher Education – Colleges and Universities	715,904	—	—	—
Employment and Family Services	775,393	—	—	—
Natural Resources	177,704	—	—	—
Heritage and Arts	21,525	—	—	—
Business, Labor, and Agriculture	88,691	—	—	—
Public Education	—	3,096,625	—	—
Transportation	—	—	950,708	—
Capital Outlay	—	—	—	349,658
Debt Service:				
Principal Retirement	—	—	—	—
Interest and Other Charges	—	—	—	—
Total Expenditures	5,671,148	3,096,625	950,708	349,658
Excess Revenues Over (Under) Expenditures	(359,866)	724,765	91,038	84,846
OTHER FINANCING SOURCES (USES)				
General Obligation Bonds Issued	—	—	—	—
Revenue Bonds Issued	—	—	—	—
Refunding Bonds Issued	—	—	—	—
Premium on Bonds Issued	—	—	—	—
Payment to Refunded Bond Escrow Agent	—	—	—	—
Capital Leases Acquisition	—	—	—	—
Sale of Capital Assets	37	—	10,245	—
Transfers In	664,735	9,540	56,009	82,634
Transfers Out	(196,765)	(531,231)	(149,595)	(332,779)
Total Other Financing Sources (Uses)	468,007	(521,691)	(83,341)	(250,145)
Net Change in Fund Balances	108,141	203,074	7,697	(165,299)
Fund Balances – Beginning	737,305	629,696	221,442	624,789
Fund Balances – Ending	$ 845,446	$ 832,770	$ 229,139	$ 459,490

The Notes to the Financial Statements are an integral part of this statement.

Permanent Trust Lands	Nonmajor Governmental Funds	Total Governmental Funds
$ —	$ 4,082	$ 2,057,581
—	—	2,865,195
—	—	329,726
—	—	351,197
—	12,386	400,111
0	16,468	6,003,810
—	45,554	3,489,515
74,235	75,882	677,119
—	—	185,976
—	—	138,122
—	32,704	32,704
157,817	14,800	221,139
—	27,270	305,267
232,052	212,678	11,053,652
—	34,550	360,759
—	3,230	669,091
—	2,590	251,118
—	34,193	255,727
—	—	129,693
—	6,047	2,254,252
—	—	51,901
—	19,534	735,438
—	869	776,262
—	626	178,330
—	5,819	27,344
—	11,137	99,828
—	536	3,097,161
—	569	951,277
—	174,924	524,582
—	309,268	309,268
—	154,472	154,472
0	758,364	10,826,503
232,052	(545,686)	227,149
—	33,240	33,240
—	1,900	1,900
—	22,612	22,612
—	8,346	8,346
—	(24,358)	(24,358)
—	2,824	2,824
20,961	—	31,243
625	547,148	1,360,691
—	(73,394)	(1,283,764)
21,586	518,318	152,734
253,638	(27,368)	379,883
1,436,623	368,684	4,018,539
$ 1,690,261	$ 341,316	$ 4,398,422

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances — Governmental Funds To the Statement of Activities

For the Fiscal Year Ended June 30, 2013 (Expressed in Thousands)

Net Change in Fund Balances – Total Governmental Funds ……		$ 379,883
The change in net position reported for governmental activities in the Statement of Net Position is different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. The primary government also constructs buildings for component units. When the buildings are completed they are "transferred" to component units and are reported as expenses in the Statement of Activities. This is the amount by which capital outlays $718,112 exceeded depreciation $(86,256) and buildings "transferred" to component units $(97,447) in the current period. (See Note 8) ……		534,409
In the Statement of Activities, only the gain/loss on the sale of assets is reported, whereas in the governmental funds, the proceeds from the sales increase financial resources. Thus, the change in net position differs from the change in fund balance the assets sold. …….		(20,607)
Net effect of revenues reported on the accrual basis in the Statement of Activities that do not provide current financial resources and thus are not reported as revenues in the funds until available. ……..		98,703
Internal service funds are used by management to charge the costs of certain activities, such as insurance, technology services, and fleet operations to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.		(9,816)
Bond proceeds and capital leases provide current financial resources to governmental funds by issuing debt which increases long-term liabilities in the Statement of Net Position. Repayments of bond and capital lease principal are expenditures in the governmental funds, but reduce liabilities in the Statement of Net Position: (See Note 10)		
Bonds Issued	$ (57,752)	
Premiums on Bonds Issued	(8,346)	
Capital Lease Additions	(2,824)	
Defeasance on Bonds	22,550	
Amount Deferred on Refunding	1,808	
Payment of Bond Principal	309,268	
Capital Lease Payments	3,881	268,585
Expenditures are recognized in the governmental funds when paid or due for: items not normally paid with available financial resources; interest on long-term debt unless certain conditions are met; and bond issue costs. However, the Statement of Activities is presented on the accrual basis and expenses and liabilities are reported when incurred, regardless of when financial resources are available or expenditures are paid or due. This adjustment combines the net changes of the following balances:		
Pollution Remediation Obligation Costs	418	
Settlement Agreements Costs, net	7,230	
Compensated Absences Expenses	(10)	
Accrued Interest on Bonds Payable	125	
Amortization of Bond Premiums	49,459	
Amortization of Amount Deferred on Refunding	(5,520)	
Bond Issue Costs	(1,518)	
Other Postemployment Benefit Costs	6,280	56,464
Change in Net Position of Governmental Activities ……		$ 1,307,621

The Notes to the Financial Statements are an integral part of this statement.

Proprietary Fund Financial Statements

Student Assistance Programs

These programs are comprised of two programs administered by the State Board of Regents: the Utah Higher Education Assistance Authority Student Loan Guarantee Program and the Student Loan Purchase Program. The purpose of these programs is to guarantee the repayment of student loans made by participating lenders to eligible borrowers and service outstanding student loans. Funds are acquired from the sale of bonds, lines-of-credit, and funding notes.

Unemployment Compensation Fund

This fund pays claims for unemployment to eligible recipients and is funded through employer contributions and reimbursements, and federal grants.

Water Loan Programs

These programs provide loans to local governments, water districts, and other entities for the purpose of upgrading water storage facilities and other related structures. Capital for this fund has been provided from the General Fund and from general obligation bonds that have been repaid from general tax revenues. Additional funds have been generated by issuing water loan recapitalization revenue bonds that are secured by pledged principal and interest payments of specific revolving water resources loan funds.

Community Impact Loan Fund

This fund provides loans to local governments to alleviate the social, economic, and public financial impacts resulting from the development of the State's natural resources. Working capital for this fund is provided from federal mineral lease funds transferred from the General Fund. This fund also administers loans and loan guarantees from federal funds to small businesses under the Small Business Credit Initiative.

Nonmajor Funds

Nonmajor enterprise funds are presented beginning on page 168.

Governmental Activities – Internal Service Funds

These funds are maintained to account for the operation of state agencies that provide goods or services to other state agencies and other governmental units on a cost-reimbursement basis. These funds are presented in more detail beginning on page 178.

Statement Of Net Position
Proprietary Funds

June 30, 2013 (Expressed in Thousands)

	Business-type Activities – Enterprise Funds			
	Student Assistance Programs	Unemployment Compensation Fund	Water Loan Programs	Community Impact Loan Fund
ASSETS				
Current Assets:				
Cash and Cash Equivalents	$ 107,256	$ 569,817	$ 190,903	$ 178,764
Restricted Investments	72,751	—	—	—
Receivables:				
Accounts, net	6,914	119,557	521	—
Accrued Interest	16,946	—	6,795	4,067
Accrued Taxes, net	—	—	2,629	—
Notes/Loans/Mortgages, net	189,706	—	43,792	18,641
Due From Other Funds	—	—	11,919	—
Due From Component Units	—	—	—	—
Prepaid Items	998	—	6	—
Inventories	—	—	—	—
Other Assets	2,395	—	—	—
Total Current Assets	396,966	689,374	256,565	201,472
Noncurrent Assets:				
Restricted Investments	49,962	—	—	—
Accounts Receivables	—	10,694	—	—
Investments	18,624	—	—	—
Prepaid Items	1,252	—	—	—
Accrued Interest Receivable	—	—	3,894	70
Notes/Loans/Mortgages Receivables, net	1,212,840	—	493,533	429,958
Pledged Loans Receivables	—	—	152,832	—
Other Assets	15,238	—	—	—
Capital Assets:				
Land	—	—	—	—
Infrastructure	—	—	—	—
Buildings and Improvements	12,778	—	—	—
Machinery and Equipment	2,268	—	—	—
Intangible Assets–Software	1,174	—	—	—
Construction in Progress	—	—	—	—
Less Accumulated Depreciation	(5,507)	—	—	—
Total Capital Assets	10,713	0	0	0
Total Noncurrent Assets	1,308,629	10,694	650,259	430,028
Total Assets	1,705,595	700,068	906,824	631,500
LIABILITIES				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	17,057	3,682	700	2
Deposits	—	71	27	—
Due To Other Funds	—	10,728	80	1
Due To Component Units	—	—	—	—
Interfund Loans Payable	—	—	—	—
Unearned Revenue	281	—	—	—
Policy Claims and Uninsured Liabilities	575	10,066	—	—
Contracts/Notes Payable	—	—	—	—
Revenue Bonds Payable	171,052	—	5,058	—
Total Current Liabilities	188,965	24,547	5,865	3
Noncurrent Liabilities:				
Accrued Liabilities	393	—	—	—
Interfund Loans Payable	—	—	—	—
Policy Claims and Uninsured Liabilities	1,918	—	—	—
Contracts/Notes Payable	—	—	—	—
Revenue Bonds Payable	1,103,290	—	52,410	—
Total Noncurrent Liabilities	1,105,601	0	52,410	0
Total Liabilities	1,294,566	24,547	58,275	3
DEFERRED INFLOWS OF RESOURCES				
Fair Value of Interest Rate Swap Agreements	18,624	—	—	—
Total Deferred Inflows of Resources	18,624	0	0	0
NET POSITION				
Net Investment in Capital Assets	3,740	—	—	—
Restricted for:				
Unemployment Compensation and Insurance Programs	—	675,521	—	—
Loan Programs	324,237	—	401,678	—
Debt Service	—	—	168,617	—
Unrestricted (Deficit)	64,428	—	278,254	631,497
Total Net Position	$ 392,405	$ 675,521	$ 848,549	$ 631,497

The Notes to the Financial Statements are an integral part of this statement.

Business-type Activities – Enterprise Funds		Governmental Activities –
Nonmajor Enterprise Funds	Total	Internal Service Funds
$ 43,152	$ 1,089,892	$ 63,766
—	72,751	—
17,857	144,849	5,361
1,418	29,226	—
—	2,629	—
9,010	261,149	—
10,106	22,025	25,411
—	0	605
12	1,016	2,871
32,896	32,896	6,772
—	2,395	25
114,451	1,658,828	104,811
—	49,962	—
—	10,694	—
1,463	20,087	—
—	1,252	—
1,114	5,078	—
137,399	2,273,730	2,700
—	152,832	—
—	15,238	398
22,687	22,687	17
304	304	303
79,628	92,406	6,183
14,511	16,779	208,084
397	1,571	9,498
—	0	289
(31,016)	(36,523)	(133,292)
86,511	97,224	91,082
226,487	2,626,097	94,180
340,938	4,284,925	198,991
11,337	32,778	23,486
97	195	—
21,858	32,667	1,252
9	9	—
—	0	14,875
4,559	4,840	—
6,135	16,776	18,405
—	0	25
4,998	181,108	91
48,993	268,373	58,134
—	393	—
—	0	44,360
—	1,918	29,785
—	0	398
80,495	1,236,195	425
80,495	1,238,506	74,968
129,488	1,506,879	133,102
—	18,624	—
0	18,624	0
10,272	14,012	90,619
—	675,521	4,117
81,316	807,231	—
—	168,617	—
119,862	1,094,041	(28,847)
$ 211,450	$ 2,759,422	$ 65,889

Statement Of Revenues, Expenses, And Changes In Fund Net Position
Proprietary Funds

For the Fiscal Year Ended June 30, 2013 (Expressed in Thousands)

	Business-type Activities – Enterprise Funds			
	Student Assistance Programs	Unemployment Compensation Fund	Water Loan Programs	Community Impact Loan Fund
OPERATING REVENUES				
Sales and Charges for Services/Premiums	$ 10,310	$ 384,114	$ 390	$ —
Fees and Assessments	1,142	—	144	—
Interest on Notes/Mortgages	49,178	—	12,930	6,893
Federal Reinsurance and Allowances/Reimbursements	40,668	73,582	—	—
Miscellaneous	3,097	—	—	35
Total Operating Revenues	104,395	457,696	13,464	6,928
OPERATING EXPENSES				
Administration	4,929	—	—	98
Purchases, Materials, and Services for Resale	—	—	—	—
Grants	—	—	8,966	—
Rentals and Leases	—	—	1	—
Maintenance	—	—	—	—
Interest	13,689	—	—	—
Depreciation/Amortization	801	—	—	—
Student Loan Servicing and Related Expenses	38,315	—	—	—
Payment to Lenders for Guaranteed Claims	41,162	—	—	—
Benefit Claims and Unemployment Compensation	—	307,444	—	—
Supplies and Other Miscellaneous	158	—	1,871	820
Total Operating Expenses	99,054	307,444	10,838	918
Operating Income (Loss)	5,341	150,252	2,626	6,010
NONOPERATING REVENUES (EXPENSES)				
Investment Income	947	12,972	1,424	1,101
Federal Contracts and Grants	—	—	15,728	118
Disposal of Capital Assets	—	—	—	—
Tax Revenues	—	—	25,366	—
Interest Expense	—	—	(1,990)	—
Refunds Paid to Federal Government	—	—	—	—
Other Revenues (Expenses)	(325)	—	—	—
Total Nonoperating Revenues (Expenses)	622	12,972	40,528	1,219
Income (Loss) before Transfers	5,963	163,224	43,154	7,229
Transfers In	—	—	—	18,743
Transfers Out	—	(8,946)	(4,292)	(1,190)
Change in Net Position	5,963	154,278	38,862	24,782
Net Position – Beginning	386,442	521,243	809,687	606,715
Net Position – Ending	$ 392,405	$ 675,521	$ 848,549	$ 631,497

The Notes to the Financial Statements are an integral part of this statement.

Business-type Activities – Enterprise Funds		Governmental Activities – Internal Service Funds
Nonmajor Enterprise Funds	Total	
$ 328,021	$ 722,835	$ 319,276
5,411	6,697	—
3,195	72,196	—
—	114,250	—
585	3,717	181
337,212	919,695	319,457
31,492	36,519	104,603
194,428	194,428	84,256
638	9,604	—
2,434	2,435	1,574
4,583	4,583	25,692
—	13,689	—
3,598	4,399	18,267
—	38,315	—
—	41,162	—
38,188	345,632	17,312
11,054	13,903	76,566
286,415	704,669	328,270
50,797	215,026	(8,813)
192	16,636	263
38,418	54,264	—
425	425	692
525	25,891	—
(3,843)	(5,833)	(46)
—	0	(1,221)
—	(325)	5
35,717	91,058	(307)
86,514	306,084	(9,120)
2,243	20,986	572
(82,789)	(97,217)	(1,268)
5,968	229,853	(9,816)
205,482	2,529,569	75,705
$ 211,450	$ 2,759,422	$ 65,889

Statement Of Cash Flows
Proprietary Funds

For the Fiscal Year Ended June 30, 2013 (Expressed in Thousands)

	Business-type Activities – Enterprise Funds			
	Student Assistance Programs	Unemployment Compensation Fund	Water Loan Programs	Community Impact Loan Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers/Loan Interest/Fees/Premiums	$ 53,861	$ 381,502	$ 15,383	$ 6,803
Receipts from Loan Maturities	228,934	—	61,190	42,074
Receipts Federal Reinsurance and Allowances/Reimbursements	25,614	73,646	—	—
Receipts from State Customers	—	—	—	—
Payments to Suppliers/Claims/Grants	(25,388)	(307,461)	(10,501)	(1,095)
Disbursements for Loans Receivable	(26,442)	—	(52,549)	(67,025)
Payments on Loan Guarantees	(42,789)	—	—	—
Payments for Employee Services and Benefits	(11,464)	—	—	(105)
Payments to State Suppliers and Grants	—	—	—	(75)
Payments of Sales, School Lunch, and Premium Taxes	—	—	—	—
Net Cash Provided (Used) by Operating Activities	202,326	147,687	13,523	(19,423)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Borrowings Under Interfund Loans	—	—	—	—
Repayments Under Interfund Loans	—	—	—	—
Receipts from Bonds, Notes, and Deposits	518,700	49	27	—
Payments of Bonds, Notes, Deposits, and Refunds	(761,138)	(33)	(4,967)	—
Interest Paid on Bonds, Notes, and Financing Costs	(22,397)	—	—	—
Federal Contracts and Grants and Other Revenues	—	—	13,722	118
Restricted Sales Tax	—	—	25,206	—
Transfers In from Other Funds	—	—	—	18,743
Transfers Out to Other Funds	—	(8,946)	(4,292)	(1,190)
Net Cash Provided (Used) by Noncapital Financing Activities	(264,835)	(8,930)	29,696	17,671
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Borrowings Under Interfund Loans	—	—	—	—
Proceeds from Disposition of Capital Assets	—	—	—	—
Federal Grants and Other Revenues	—	—	—	—
Principal Paid on Debt and Contract Maturities	—	—	—	—
Acquisition and Construction of Capital Assets	(202)	—	—	—
Interest Paid on Bonds, Notes, and Capital Leases	—	—	—	—
Transfers In from Other Funds	—	—	—	—
Transfers Out to Other Funds	—	—	—	—
Net Cash Provided (Used) by Capital and Related Financing Activities	(202)	0	0	0
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from the Sale and Maturity of Investments	881,936	—	—	—
Receipts of Interest and Dividends from Investments	958	12,972	1,462	1,101
Payments to Purchase Investments	(813,095)	—	—	—
Net Cash Provided (Used) by Investing Activities	69,799	12,972	1,462	1,101
Net Cash Provided (Used) – All Activities	7,088	151,729	44,681	(651)
Cash and Cash Equivalents – Beginning	100,168	418,088	146,222	179,415
Cash and Cash Equivalents – Ending	$ 107,256	$ 569,817	$ 190,903	$ 178,764

The Notes to the Financial Statements are an integral part of this statement.

Business-type Activities – Enterprise Funds		Governmental Activities – Internal Service Funds
Nonmajor Enterprise Funds	Total	
$ 382,540	$ 840,089	$ 53,734
12,687	344,885	—
—	99,260	—
15,355	15,355	266,045
(247,524)	(591,969)	(150,290)
(15,976)	(161,992)	—
—	(42,789)	—
(29,419)	(40,988)	(105,468)
(5,380)	(5,455)	(53,305)
(59,853)	(59,853)	—
52,430	396,543	10,716
16,077	16,077	—
(14,642)	(14,642)	(57)
—	518,776	—
—	(766,138)	(23)
—	(22,397)	(21)
35,027	48,867	—
525	25,731	—
2,243	20,986	—
(82,789)	(97,217)	(1,227)
(43,559)	(269,957)	(1,328)
—	0	11,294
6	6	3,671
—	0	155
(4,335)	(4,335)	(80)
(1,264)	(1,466)	(27,897)
(1,859)	(1,859)	(5)
—	0	572
—	0	(41)
(7,452)	(7,654)	(12,331)
(29)	881,907	—
192	16,685	263
—	(813,095)	—
163	85,497	263
1,582	204,429	(2,680)
41,570	885,463	66,446
$ 43,152	$ 1,089,892	$ 63,766

Continues

Statement Of Cash Flows
Proprietary Funds

Continued

For the Fiscal Year Ended June 30, 2013 (Expressed in Thousands)

	Business-type Activities – Enterprise Funds			
	Student Assistance Programs	**Unemployment Compensation Fund**	**Water Loan Programs**	**Community Impact Loan Fund**
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	$ 5,341	$ 150,252	$ 2,626	$ 6,010
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation/Amortization Expense	801	—	—	—
Interest Expense for Noncapital and Capital Financing	17,023	—	—	—
Miscellaneous Gains, Losses, and Other Items	(8,801)	—	—	—
Net Changes in Assets and Liabilities:				
Accounts Receivable/Due From Other Funds	3,797	(6,118)	2,006	—
Notes/Accrued Interest Receivables	187,148	—	8,557	(25,076)
Inventories	—	—	—	—
Prepaid Items/Deferred Charges	82	—	(6)	—
Accrued Liabilities/Due to Other Funds	(2,065)	5,342	340	(357)
Unearned Revenue/Deposits	—	—	—	—
Policy Claims Liabilities	(1,000)	(1,789)	—	—
Net Cash Provided (Used) by Operating Activities	$ 202,326	$ 147,687	$ 13,523	$ (19,423)
SCHEDULE OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Increase (Decrease) in Fair Value of Investments	$ —	$ —	$ 93	$ (164)
Total Noncash Investing, Capital, and Financing Activities	$ 0	$ 0	$ 93	$ (164)

The Notes to the Financial Statements are an integral part of this statement.

Business-type Activities – Enterprise Funds		Governmental Activities – Internal Service Funds
Nonmajor Enterprise Funds	Total	
$ 50,797	$ 215,026	$ (8,813)
3,598	4,399	18,267
—	17,023	—
—	(8,801)	(1,371)
949	634	1,231
(3,173)	167,456	(577)
(2,146)	(2,146)	(872)
—	76	1,882
(712)	2,548	(2,339)
(170)	(170)	(182)
3,287	498	3,490
$ 52,430	$ 396,543	$ 10,716
$ (17)	$ (88)	$ (49)
$ (17)	$ (88)	$ (49)

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Fiduciary Fund Financial Statements

Pension and Other Employee Benefit Trust Funds

These funds are used to account for defined benefit pension plans and defined contribution plans administered by the Utah Retirement Systems and to account for the Post-Retirement Benefits Trust Funds, defined benefit other postemployment benefit plans (OPEB Plans) administered by the State.

Investment Trust Fund

This fund is used to account for the investments related to external participants in the Utah State Public Treasurer's Investment Fund.

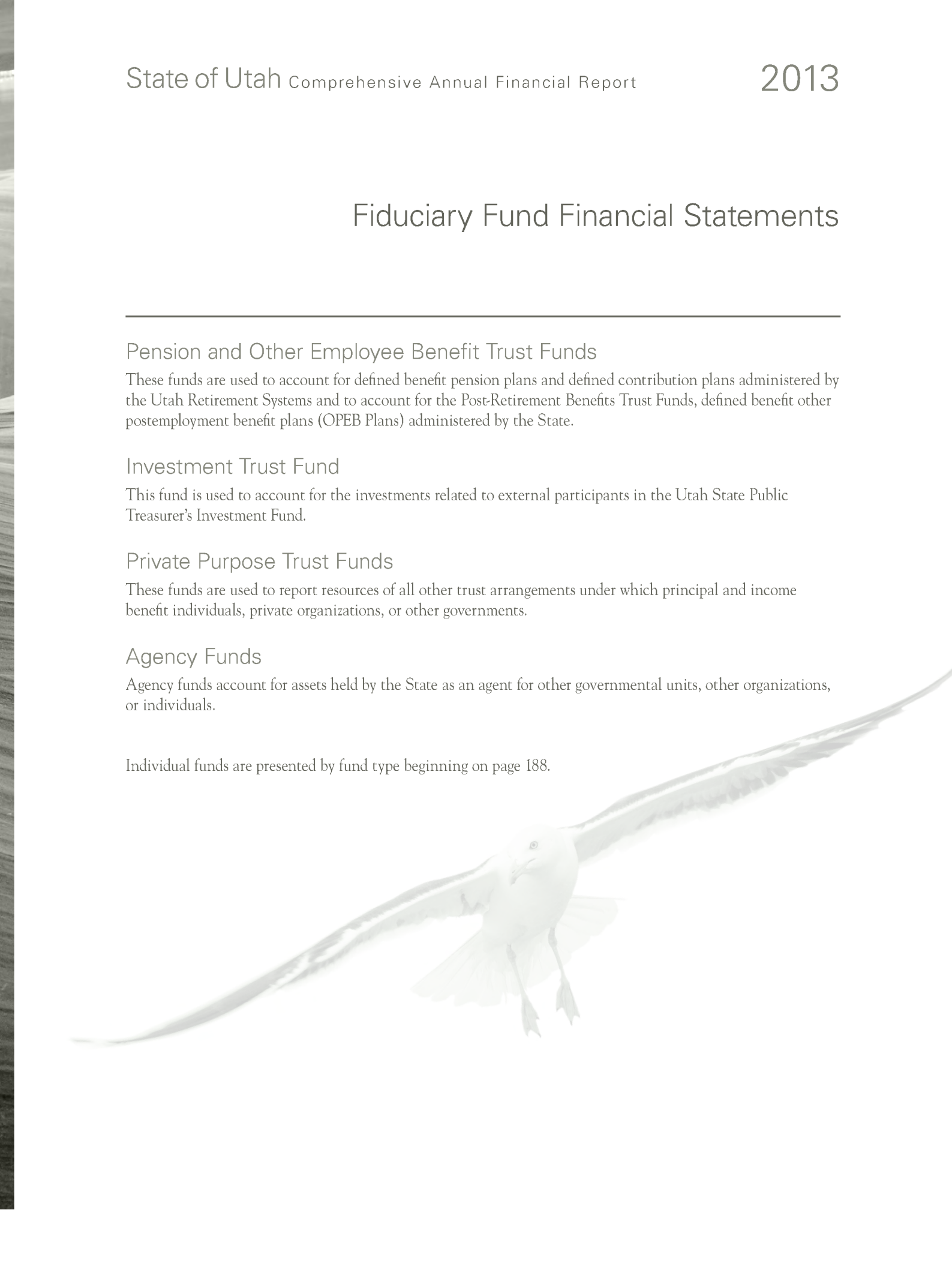
Private Purpose Trust Funds

These funds are used to report resources of all other trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

Agency Funds

Agency funds account for assets held by the State as an agent for other governmental units, other organizations, or individuals.

Individual funds are presented by fund type beginning on page 188.



Statement Of Fiduciary Net Position
Fiduciary Funds

June 30, 2013 (Expressed in Thousands)

	Pension and Other Employee Benefit Trust Funds	Investment Trust Fund	Private Purpose Trust Funds	Agency Funds
ASSETS				
Cash and Cash Equivalents	$ 1,326,490	$ 162,161	$ 20,251	$ 171,145
Receivables:				
Accounts	672	—	5,422	13,054
Contributions	47,911	—	—	—
Investments	427,971	—	—	—
Accrued Assessments	—	—	3,356	—
Court Settlement	—	—	13,500	—
Due From Other Funds	2,248	—	1,743	1,342
Investments:				
Debt Securities	5,830,130	6,247,243	1,748,342	20,521
Equity Investments	10,227,130	—	4,418,219	—
Absolute Return	3,474,308	—	—	—
Private Equity	2,593,847	—	—	—
Real Assets	3,139,852	—	—	—
Mortgage Loans	6,847	—	—	—
Invested Securities Lending Collateral	1,590,130	—	—	—
Total Investments	26,862,244	6,247,243	6,166,561	20,521
Capital Assets:				
Land	1,780	—	271	—
Buildings and Improvements	17,607	—	10,715	—
Machinery and Equipment	6,175	—	1,448	—
Less Accumulated Depreciation	(19,190)	—	(4,110)	—
Total Capital Assets	6,372	0	8,324	0
Total Assets	28,673,908	6,409,404	6,219,157	$ 206,062
LIABILITIES				
Accounts Payable	493,941	10,002	1,708	$ —
Securities Lending Liability	1,590,130	—	—	—
Due To Other Funds	—	—	468	—
Due To Individuals, Organizations, and Other Governments	—	—	—	206,062
Unearned Revenue	—	—	270	—
Leave/Postemployment Benefits	13,339	—	—	—
Policy Claims Liabilities/Insurance Reserves	4,995	—	266,768	—
Real Estate Liabilities	586,154	—	—	—
Total Liabilities	2,688,559	10,002	269,214	$ 206,062
NET POSITION				
Restricted for:				
Pension Benefits	22,150,599	—	—	
Other Postemployment Benefits	177,681	—	—	
Defined Contribution	3,657,069	—	—	
Pool Participants	—	6,399,402	—	
Individuals, Organizations, and Other Governments	—	—	5,949,943	
Total Net Position	$ 25,985,349	$ 6,399,402	$ 5,949,943	
Participant Account Balance				
Net Position Valuation Factor		1.00502171		

The Notes to the Financial Statements are an integral part of this statement.

Statement Of Changes In Fiduciary Net Position
Fiduciary Funds

For the Fiscal Year Ended June 30, 2013 (Expressed in Thousands)

	Pension and Other Employee Benefit Trust Funds	Investment Trust Fund	Private Purpose Trust Funds
ADDITIONS			
Contributions:			
Member	$ 301,507	$ —	$ 701,922
Employer	839,728	—	—
Court Fees and Fire Insurance Premiums	17,723	—	—
Total Contributions	1,158,958	0	701,922
Pool Participant Deposits	—	8,274,207	—
Investment Income:			
Net Increase (Decrease) in Fair Value of Investments	2,443,727	(3,331)	556,891
Interest, Dividends, and Other Investment Income	487,220	41,032	121,269
Less Investment Expenses	(44,529)	(337)	—
Net Investment Income	2,886,418	37,364	678,160
Transfers From Affiliated Systems	55,568	—	—
Other Additions:			
Escheats	—	—	20,132
Royalties and Rents	—	—	2,674
Fees, Assessments, and Revenues	—	—	45,347
Miscellaneous	—	—	6,194
Total Other	0	0	74,347
Total Additions	4,100,944	8,311,571	1,454,429
DEDUCTIONS			
Pension Benefits	1,153,130	—	—
Retiree Healthcare Benefits	27,780	—	—
Refunds/Plan Distributions	226,915	—	—
Earnings Distribution	—	40,695	—
Pool Participant Withdrawals	—	7,929,009	—
Transfers To Affiliated Systems	55,568	—	—
Trust Operating Expenses	—	—	25,548
Distributions and Benefit Payments	—	—	251,028
Administrative and General Expenses	17,150	—	15,309
Total Deductions	1,480,543	7,969,704	291,885
Change in Net Postion Restricted for:			
Pension Benefits	2,197,746	—	—
Other Postemployment Benefits	31,475	—	—
Defined Contributions	391,180	—	—
Pool Participants	—	341,867	—
Individuals, Organizations, and Other Governments	—	—	1,162,544
Net Position – Beginning	23,364,948	6,057,535	4,787,399
Net Postion – Ending	$ 25,985,349	$ 6,399,402	$ 5,949,943

The Notes to the Financial Statements are an integral part of this statement.

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Component Unit Financial Statements

Utah Housing Corporation

The Corporation was created to provide an alternative source of funding for home mortgages, particularly for lower income families. It is funded entirely through the issuance of bonds that are repaid from the interest and principal payments made on mortgages.

Public Employees Health Program

This program provides employee medical and other insurance services predominantly for agencies of the State. It also provides claims processing and insurance services for local governments and other public entities within Utah.

University of Utah and Utah State University

These universities are funded through state appropriations, tuition, federal grants, and private donations and grants. In addition to instruction, these universities provide research and other services. The operations of the University of Utah also include its hospital and clinics.

Nonmajor Component Units

Nonmajor component units are presented beginning on page 204.

Combining Statement Of Net Position
Component Units

June 30, 2013 (Expressed in Thousands)

	Utah Housing Corporation	Public Employees Health Program	University of Utah	Utah State University
ASSETS				
Current Assets:				
Cash and Cash Equivalents	$ 96,694	$ 46,515	$ 486,626	$ 37,255
Investments	303,764	41,916	706,015	80,949
Receivables:				
Accounts, net	—	31,799	340,670	55,882
Notes/Loans/Mortgages/Pledges, net	19,851	—	—	1,147
Accrued Interest	4,953	1,958	—	—
Due From Primary Government	—	—	—	—
Prepaid Items	1,427	9,192	—	3,479
Inventories	—	—	54,646	4,605
Other Assets	—	—	23,047	—
Total Current Assets	426,689	131,380	1,611,004	183,317
Noncurrent Assets:				
Restricted Investments	—	—	492,373	160,505
Restricted Receivables, net	—	—	60,708	—
Accounts Receivables, net	—	—	—	11,646
Investments	167,120	224,670	555,487	166,479
Notes/Loans/Mortgages/Pledges Receivables, net	948,516	—	—	11,306
Other Assets	23,349	—	49,843	105
Capital Assets (net of Accumulated Depreciation)	5,734	366	2,345,006	688,177
Total Noncurrent Assets	1,144,719	225,036	3,503,417	1,038,218
Total Assets	1,571,408	356,416	5,114,421	1,221,535
DEFERRED OUTFLOWS OF RESOURCES				
Fair Value of Interest Rate Swap Agreements	25,373	—	—	—
Total Deferred Outflows of Resources	25,373	0	0	0
LIABILITIES				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	27,612	6,261	204,619	46,599
Securities Lending Liability	—	28,856	—	—
Deposits	—	—	84,955	716
Due To Primary Government	—	—	35,207	2,882
Unearned Revenue	—	391	50,015	17,074
Current Portion of Long-term Liabilities (Note 10)	109,165	58,427	76,764	25,422
Total Current Liabilities	136,777	93,935	451,560	92,693
Noncurrent Liabilities:				
Accrued Liabilities	77,221	2,466	—	1,779
Unearned Revenue	5,635	—	—	—
Deposits	—	—	16,445	—
Long-term Liabilities (Note 10)	1,111,144	64,888	746,692	113,675
Total Noncurrent Liabilities	1,194,000	67,354	763,137	115,454
Total Liabilities	1,330,777	161,289	1,214,697	208,147
DEFERRED INFLOWS OF RESOURCES				
Fair Value of Forward Sales Contracts	24,353	—	—	—
Total Deferred Inflows of Resources	24,353	0	0	0
NET POSITION				
Net Investment in Capital Assets	5,154	366	1,614,132	579,617
Restricted for:				
Nonexpendable:				
Higher Education	—	—	448,352	115,176
Expendable:				
Higher Education	—	—	507,338	184,171
Debt Service	159,693	—	—	—
Insurance Plans	—	194,761	—	—
Other	—	—	—	—
Unrestricted	76,804	—	1,329,902	134,424
Total Net Position	$ 241,651	$ 195,127	$ 3,899,724	$ 1,013,388

The Notes to the Financial Statements are an integral part of this statement.

Nonmajor Component Units	Total
$ 292,413	$ 959,503
81,930	1,214,574
35,275	463,626
7,817	28,815
105	7,016
643	643
5,589	19,687
13,558	72,809
507	23,554
437,837	2,790,227
109,877	762,755
—	60,708
6,267	17,913
204,248	1,318,004
31,012	990,834
5,602	78,899
1,305,433	4,344,716
1,662,439	7,573,829
2,100,276	10,364,056
—	25,373
0	25,373
42,247	327,338
—	28,856
5,131	90,802
21,981	60,070
30,921	98,401
28,480	298,258
128,760	903,725
—	81,466
2,523	8,158
60	16,505
221,423	2,257,822
224,006	2,363,951
352,766	3,267,676
—	24,353
0	24,353
1,122,381	3,321,650
136,932	700,460
145,972	837,481
—	159,693
—	194,761
724	724
341,501	1,882,631
$ 1,747,510	$ 7,097,400

Combining Statement Of Activities
Component Units

For the Fiscal Year Ended June 30, 2013 (Expressed in Thousands)

	Utah Housing Corporation	Public Employees Health Program	University of Utah	Utah State University
Expenses	$ 76,240	$ 512,883	$ 3,235,121	$ 580,749
Program Revenues:				
Charges for Services:				
Tuition and Fees	—	—	328,784	166,254
Scholarship Allowances	—	—	(46,803)	(60,562)
Sales, Services, and Other Revenues (net of University of Utah patient services allowance of $90,691)	83,983	519,234	2,264,323	79,184
Operating Grants and Contributions	—	9,094	491,942	233,145
Capital Grants and Contributions	—	—	59,900	21,498
Total Program Revenues	83,983	528,328	3,098,146	439,519
Net (Expenses) Revenues	7,743	15,445	(136,975)	(141,230)
General Revenues:				
State Appropriations	—	—	257,456	163,135
Unrestricted Investment Income	—	—	46,628	16,600
Permanent Endowments Contributions	—	—	19,629	6,044
Total General Revenues	0	0	323,713	185,779
Change in Net Position	7,743	15,445	186,738	44,549
Net Position – Beginning	233,908	179,682	3,785,980	968,839
Adjustment to Beginning Net Position	—	—	(72,994)	—
Net Position – Beginning as Adjusted	233,908	179,682	3,712,986	968,839
Net Position – Ending	$ 241,651	$ 195,127	$ 3,899,724	$ 1,013,388

The Notes to the Financial Statements are an integral part of this statement.

Nonmajor Component Units	Total
$ 1,108,811	$ 5,513,804
440,614	935,652
(105,814)	(213,179)
142,736	3,089,460
254,229	988,410
69,531	150,929
801,296	4,951,272
(307,515)	(562,532)
348,519	769,110
19,582	82,810
15,274	40,947
383,375	892,867
75,860	330,335
1,671,650	6,840,059
—	(72,994)
1,671,650	6,767,065
$ 1,747,510	$ 7,097,400

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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the State of Utah conform in all material respects with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board. Preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

A. Reporting Entity

For financial reporting purposes, the State of Utah reporting entity includes the "primary government" and its "component units." The primary government includes all funds, agencies, boards, commissions, and authorities that are considered an integral part of the State's activities. The State's component units are legally separate organizations for which the State's elected officials are financially accountable.

The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and either: (***1***) the ability of the State to impose its will on that organization; *or* (***2***) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the State.

Where the State does not appoint a voting majority of an organization's governing body, GASB standards require inclusion in the reporting entity if: (***1***) an organization is fiscally dependent on the State because its resources are held for the direct benefit of the State or can be accessed by the State; *and* (***2***) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the State. In addition, component units can be other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the financial statements to be misleading.

Except where noted below, the State's component units issue their own separate audited financial statements as special-purpose governments engaged only in business-type activities. These financial statements can be obtained from their respective administrative offices or from the Office of the Utah State Auditor, P.O. Box 142310, Salt Lake City, UT 84114, or online at auditor.utah.gov.

Entities such as the local school districts, charter schools, and other local authorities of various kinds that may only partially meet the criteria for inclusion in this report have not been included. (The State's support of the public education system is reported in the Education Fund, a special revenue fund.)

Blended Component Units

A component unit should be reported as part of the primary government and blended into the appropriate funds if: (***1***) services are provided entirely or almost entirely to the primary government; (***2***) the governing body is substantively the same as the governing body of the primary government; *or* (3) the component unit's total debt outstanding is expected to be repaid entirely or almost entirely by the primary government.

Utah State Building Ownership Authority (blended with the primary government's debt service and capital projects funds) — The Authority was created by the Legislature as a body politic and corporate for the sole purpose of financing, owning, leasing, and operating facilities to meet the needs of state government. In addition, any debt is paid entirely with resources of the State. The Board is comprised of three members: the Governor or designee, the State Treasurer and the Chair of the State Building Board. Separate financial statements are not required or issued for the Authority.

Discrete Component Units

Discretely presented component units are reported in a separate column and/or rows in each of the government-wide statements to emphasize that they are legally separate from the State.

Except for the Utah Schools for the Deaf and Blind, the Governor appoints at least a majority of the governing board members of each of the State's component units, subject in most cases to approval by the Senate. The Utah Housing Corporation is included in the reporting entity because of its ability to provide specific financial benefits or impose financial burdens on the State; by statute it may issue debt enhanced by the State and issue low-income housing tax credits. The other component units are included in the reporting entity because, under the criteria established by GASB, the State has the ability to impose its will on these organizations.

The State has the ability to impose its will on the colleges and universities, the Public Employees Health Program, and the Comprehensive Health Insurance Pool due to the level of budget or day-to-day oversight. The Governor-appointed board members of the Military Installation Development Authority, Heber Valley Historic Railroad Authority, and Utah State Fair Corporation can be replaced at will.

The State does not appoint a voting majority of the governing board members of the Utah Schools for the Deaf and Blind. However, it is included in the reporting entity because it meets both the fiscal dependency and financial benefit and burden relationship; the State approves and modifies its budget and provides financial support.

The determination that a component unit is "major" is based on the nature and significance of its relationship to the primary government. The State's major discrete component units are:

Utah Housing Corporation — The Corporation issues bonds to provide capital for housing and home mortgages, especially for low and moderate-income families. Operations are financed from bond proceeds and from mortgage and investment interest and fees.

Public Employees Health Program — This Program provides employee medical and other insurance services predominantly for agencies of the State. It also provides claims processing and insurance services for local governments and other public entities within Utah. The Program is administered by the Utah State Retirement Board.

University of Utah and Utah State University — These universities are funded primarily through state appropriations,

tuition, federal grants, and private donations and grants. In addition to instruction, these universities provide research and other services. The operations of the University of Utah also include its hospital and clinics.

The State's nonmajor discrete component units are:

Comprehensive Health Insurance Pool — The Pool is a nonprofit quasi-governmental entity established within the State Insurance Department. It provides access to health insurance coverage for residents of the State who are considered uninsurable. Enrollment in and coverage provided by the Pool will terminate December 31, 2013 as all enrollees transition to the Utah Federal Facilitated Marketplace that is effective January 1, 2014. See note 19 for more information.

Utah Schools for the Deaf and the Blind — These Schools provide practical education to individuals with hearing and/or vision impairments. Although not required, these Schools issue separate but unaudited financial statements.

Utah State Fair Corporation — This is a nonprofit public corporation that operates the State Fair Park and conducts the Utah State Fair and other various expositions and entertainment events.

Colleges and Universities — Weber State University, Southern Utah University, Salt Lake Community College, Utah Valley University, Dixie State University, Snow College, and the Utah College of Applied Technology. Separate audited financial statements are issued for the branch campuses of the Utah College of Applied Technology.

Utah Charter School Finance Authority — The Authority was created to provide an efficient and cost-effective method of issuing conduit debt on behalf of charter schools to acquire or construct charter school facilities. The debt is the responsibility of the charter schools, and neither the State nor any political subdivision of the State is obligated for repayment of the debt. Accordingly, this debt is not included as part of the State's reporting entity. No financial statements are required or issued.

Military Installation Development Authority — The Authority is an independent, nonprofit entity whose purpose is to provide for the development and improvement of project areas near military installations throughout the State.

Heber Valley Historic Railroad Authority — The Authority is an independent state agency that maintains and operates a scenic and historic railroad in and around the Heber Valley. The Authority issues a separate publicly available compilation report.

Fiduciary Component Units

Utah Retirement Systems (defined benefit pension plans and defined contribution plans) — Utah Retirement Systems (URS) administers pension funds for various public employee retirement systems and plans of the State and its political subdivisions. URS is an independent state agency subject to legislative and executive department budgetary examination and comment. The Utah State Retirement Board, a seven-member board, is established by statute to administer the systems and plans, and to serve as investment trustees of the funds. Six members are appointed by the Governor with the advice and consent of the Senate, while the State Treasurer serves as the seventh member. Because of the State's trustee responsibilities for these systems and plans, GAAP requires them to be reported as pension trust funds of the primary government rather than discrete component units.

Utah Educational Savings Plan Trust (Private Purpose Trust Fund) — This Fund is a non-profit, self-supporting agency that was created as a means to encourage investment in a public trust to pay for future higher education costs. It is administered by the Utah State Board of Regents acting in its capacity as the Utah Higher Education Assistance Authority. Because of the State's trustee responsibilities for this plan, GAAP requires it to be reported as a private purpose trust fund of the primary government rather than a discrete component unit.

In accordance with GAAP, fiduciary funds and component units that are fiduciary in nature are excluded from the government-wide financial statements.

Related Organization (Excluded from Financial Statements)

Workers' Compensation Fund — This Fund is a nonprofit quasi-public corporation created by the Legislature for a public purpose that provides workers' compensation insurance to private and public employers. Although the Governor appoints six of the seven board of directors for the Fund, there is no financial accountability. The State does not have the ability to impose its will on the Fund and the Fund does not provide specific financial benefits to, or impose specific financial burdens on the State.

B. **Government-wide and Fund Financial Statements**

Government-wide Financial Statements

The Statement of Net Position and Statement of Activities report information on all nonfiduciary activities of the primary government and its component units. Primary government activities are distinguished between *governmental* and *business-type* activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The Statement of Net Position presents the reporting entities' non-fiduciary assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Net position is restricted when there are constraints either externally imposed or imposed by constitutional provisions or enabling legislation.

The Statement of Activities demonstrates the degree to which the direct expenses of a given activity or segment is offset by program revenues. Direct expenses are those that are clearly identifiable within a specific activity. The State does not allocate general government (indirect) expenses to other activities. Program revenues include: (***1***) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given activity; and (***2***) grants and contributions that are restricted to meeting the operational or capital requirements of a particular activity. Taxes and other revenues not meeting the definition of program revenues are reported as general revenues.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide statements. For governmental and proprietary fund financial statements, the emphasis is on major individual governmental and enterprise funds, with each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Internal service funds are also aggregated and reported in a separate column on the proprietary fund financial statements.

C. **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

Government-wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the related liability is incurred, regardless of the timing of the cash flows. Nonexchange transactions, in which the State receives value without directly giving equal value in exchange, include taxes, grants, and donations. Tax revenue is recognized in the fiscal year in which the related sales, wages, or activity being taxed occurred. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been met.

Governmental Fund Financial Statements

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. For this purpose, the State generally considers taxes and other revenues to be available if the revenues are collected within 45 days after yearend. An exception to this policy is federal grant revenues, which generally are considered to be available if collection is expected within 12 months after yearend.

Expenditures are generally recorded when the related liability is incurred, as under the accrual basis of accounting. However, expenditures for principal and interest on long-term debt are recorded when due or when amounts have been accumulated in the debt service fund for payments of interest to be made early in the following year. Also, expenditures and related liabilities for compensated absences, postemployment benefits, and claims and judgments are recorded only to the extent they have matured (come due for payment).

Major Governmental Funds — The State reports the following major governmental funds:

- **General Fund**. This fund is the principal operating fund of the State. It accounts for all financial resources not accounted for and reported in another fund.

- **Education Fund**. This special revenue fund accounts for all corporate taxes, income taxes, and revenues from taxes on intangible property that support public and higher education. Specific revenues that support public elementary and secondary schools in the State are also reported in the Education Fund.

- **Transportation Fund**. This special revenue fund accounts for dedicated highway user taxes, fees, and federal funds associated with construction, maintenance, and repair of state highways and local roads.

- **Transportation Investment Fund**. This capital projects fund accounts for vehicle registration fees, sales and use taxes, bond proceeds, and federal funds used in the construction and reconstruction of specific highway projects. Projects designated for the Transportation Investment Capacity program are accounted for within this fund.

- **Trust Lands Fund**. This is a permanent fund that accounts for land grants and the sale of lands received from the federal *Enabling Act*. The principal in the fund is perpetual, with the earnings used primarily to support public education.

Nonmajor Governmental Funds — The State's nonmajor governmental funds include special revenue funds, capital projects funds, and debt service funds. The nonmajor special revenue funds account for specific revenue sources that are restricted or committed to expenditures for specific purposes. Examples include tobacco settlement monies, environmental activities, crime victim reparations, debt collections, and rural development programs. The capital projects funds account for resources used for capital outlays including the acquisition, construction, or improvement of capital facilities other than those financed by the Transportation Investment fund, proprietary funds or assets held in trust. The debt service funds account for resources used for the payment of interest and principal on general long-term debt obligations.

Proprietary Fund Financial Statements

The financial statements of the proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting, similar to the government-wide financial statements described previously. Proprietary funds include both enterprise and internal service fund types. Enterprise funds report the activities for which fees are charged to external users for goods or services. Internal service funds account for goods and services provided primarily to other agencies or funds of the State, rather than to the general public.

Proprietary funds distinguish operating revenues and expenses from nonoperating. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Revenues and expenses not meeting this definition, such as subsidies and investment earnings, are reported as nonoperating.

Major Enterprise Funds — The State reports the following major enterprise funds in its proprietary fund statements:

- **Student Assistance Programs**. These programs guarantee the repayment of student loans made by participating lenders to eligible borrowers and service outstanding student loans.

- **Unemployment Compensation Fund**. This fund pays claims for unemployment to eligible recipients.

- **Water Loan Programs**. This fund provides loans to local governments, water districts, and other entities for the purpose of upgrading water storage facilities and other related structures.

- **Community Impact Loan Fund.** This fund provides loans to local governments to alleviate the social, economic, and public financial impacts resulting from the development of the State's natural resources. This fund also administers loans to small businesses under the Small Business Credit Initiative.

Nonmajor Enterprise Funds — The State's nonmajor enterprise funds include loan programs for low-income housing, agricultural, energy efficiency, transportation infrastructure, and other purposes; Alcoholic Beverage Control (state liquor stores); Utah Correctional Industries; State Trust Lands Administration; Utah Dairy Commission; and the Federal Health Insurance Pool.

The Federal Health Insurance Pool (nonmajor enterprise fund) will be phased out, beginning December 31, 2013, as those enrolled in the temporary high-risk health insurance pool program will transition under Section 1101 of the Patient Protection and Affordable Care Act.

Internal Service Funds — The State reports the internal service fund type in the proprietary funds statements. The activities accounted for in internal service funds include technology services, general services, fleet operations, risk management, property management, and human resource management. In the government-wide financial statements, internal service funds are included with governmental activities.

Fiduciary Fund Financial Statements

The fiduciary funds account for assets held by the State in a trustee capacity or as an agent for other individuals or organizations. The fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The following fiduciary fund types are reported:

Pension and Other Employee Benefit Trust Funds — These funds account for the plan assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, and changes in net position of: (***1***) defined benefit pension plans and defined contribution plans administered by Utah Retirement Systems; and (***2***) the Post-Retirement Benefits Trust Funds, defined benefit other postemployment health care plans administered by the State for state employees and elected officials.

Investment Trust Fund — This fund is used to account for the investments related to external participants in the Utah State Public Treasurer's Investment Fund.

Private Purpose Trust Funds — These funds report resources of all other trust arrangements in which principal and income benefit individuals, private organizations or other governments. Examples include the Utah Navajo Royalties Holding Trust, Unclaimed Property Trust, Employers' Reinsurance Trust, Petroleum Storage Tank Trust, and the Utah Educational Savings Plan Trust.

Agency Funds — These funds account for assets held by the State as an agent for other governmental units, other organizations, or individuals. These funds include fines, forfeitures, tax collections, and withholding taxes for employees.

Component Unit Financial Statements

The combining component unit financial statements are presented in order to provide information on each of the major component units included in the component unit's column of the government-wide statements. The component unit financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The information is presented in order to be consistent with the government-wide statements, and is less detailed than the presentation in each component unit's separately issued financial statements.

D. **Fiscal Yearends**

All funds and discretely presented component units are reported using fiscal years which end on June 30, except the defined benefit pension plans and defined contribution plans (fiduciary funds), administered by Utah Retirement Systems, Utah State Fair Corporation (nonmajor component unit), Utah Dairy Commission, and the Federal Health Insurance Pool (nonmajor enterprise funds), which have fiscal years ending December 31.

E. **Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balances**

Cash and Cash Equivalents and Investments

Cash equivalents are generally considered short-term, highly liquid investments with a maturity of three months or less from the purchase date. The Student Assistance Programs (major enterprise fund) use a trustee for their long-term investing needs, and they consider any cash and cash equivalents held by their trustee as investments.

All cash deposited with the State Treasurer by state entities is maintained by the Treasurer in various pooled investment funds. The State Treasurer invests the deposited cash, including the cash float, in short-term securities and other investments. All interest revenue is allocated to the General Fund unless state law or trust agreements require allocations of interest to other funds. Funds authorized to receive interest earnings are segregated into separate investment pools, and interest is allocated based on cash balances in the pool.

Investments (including cash equivalents) are under the control of the State Treasurer or other administrative bodies as determined by law. In certain instances, investments may be restricted by law or other legal instruments. Investments are presented at fair value. The fair value of investments is based on published prices and quotations from major investment brokers at current exchange rates, as available. For investments where no readily ascertainable fair value exists, management, in consultation with their investment advisors, has determined the fair values for the individual investments. Investments held as security deposits which are not held for investment purposes are carried at cost. The Utah Retirement Systems' (defined benefit pension plans and defined contribution plans) mortgages are valued on an amortized

cost basis which approximates fair value, and the fair value of real estate investments has been estimated based on independent appraisals.

The State's Unemployment Compensation Fund (major enterprise fund) monies are required by the Social Security Act to be invested in the U.S. Department of Treasury, Bureau of Public Debt Unemployment Trust Fund (BPDUTF), which is not registered with the SEC. The fair value of the position in the BPDUTF is the same as the value of the BPDUTF shares.

Utah Retirement Systems (defined benefit pension plans and defined contribution plans) had five types of derivative financial instruments at yearend: futures, currency forwards, options, swaps, and Synthetic Guaranteed Investment Contracts. Futures contracts are traded on organized exchanges to minimize credit risk. Currency forwards are entered into in order to hedge the exposure to changes in foreign currency exchange rates on foreign currency denominated portfolio holdings. Options give the right, but not the obligation, to buy (call) or sell (put) an asset at a preset price over a specified period. Interest rate swap agreements are entered into in an attempt to manage their exposure to interest rate risk. Interest rate risk represents the exposure to fair value losses arising from the future changes in prevailing market interest rates. Synthetic Guaranteed Investment Contracts are available to members in the Utah Retirement Systems Defined Contribution Plans. The Student Assistance Program (major proprietary fund) entered into an interest rate exchange (swap) agreement relating to some of its student loan revenue bonds. The Board accounts for the swap agreement as a fair value hedging derivative instrument to create a variable rate cost of funds that will be lower than the variable rate cost achievable in the cash bond market. Utah Housing Corporation (major component unit) enters into various rate swap contracts as part of its overall funding strategy. The Corporation sells variable rate bonds, although to manage the inherent interest rate risk associated with variable rate debt, it enters into pay fixed, receive variable interest rate swap contracts. See Note 3 for additional information about derivatives.

Receivables

Accounts receivables in the governmental and business-type activities consist mainly of amounts due from the Federal Government, customers, and others. Receivables from the Federal Government are reasonably assured; accordingly, no allowance for uncollectible accounts has been established.

Notes/mortgages receivables in the governmental and business-type activities are primarily long-term loans for local governments and agricultural development, home mortgages, and individual student loans. The interest rates on the loans vary but are generally lower than market rates and, in some cases, are non-interest bearing. Student loans in the Student Assistance Programs (business-type activities) are fixed and variable rate federally insured loans. Student loans are insured at 95 to 100 percent of their principal balance depending on the date disbursed.

Receivables for capital lease payments, as reported in the governmental activities, are direct financing capital lease arrangements between State Building Ownership Authority (blended component unit) and certain College and Universities (discrete component units). The capital lease receivable is reported net and represents the sum of the future minimum lease payments to be received, less any executory costs and any unearned interest revenue on the capital lease. Receivables from the discrete component unit are reasonably assured; accordingly, no allowance for uncollectible accounts has been established.

Accrued taxes include receivables for taxpayer-assessed taxes where the underlying exchange has occurred in the period ending June 30 or prior, net of applicable estimated refunds and allowances.

Note 5 provides a disaggregation of governmental and business-type receivables, including a breakout of current/noncurrent balances and established allowances.

Inventories and Prepaid Items

Proprietary funds and component units inventories are valued at the lower of cost or market. Cost evaluation methods include first-in-first-out (FIFO), last-in-first-out (LIFO), average cost, weighted average, weighted moving average, and retail inventory method.

Governmental fund inventories are recorded as expenditures when purchased except for Transportation Fund inventories and state park inventories (reported in the General Fund), that are recorded as expenditures when consumed. Both Transportation Fund inventories and state park inventories are valued using a weighted average cost.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Prepaid items for the Student Assistance Programs (major enterprise fund) are primarily federal default fees charged at the time loan proceeds are disbursed and amortized over the estimated lives of the loans using an accelerated method of amortization beginning 36 months from the date the federal default fee is paid by the program.

Capital Assets

Capital assets, which include land and related assets, buildings, equipment, intangible assets (software), and infrastructure (roads, bridges, drainage systems, lighting systems, and similar items), are reported in the applicable governmental or business-type activities columns, or in the component units column on the government-wide Statement of Net Position. Capital assets of proprietary funds and fiduciary funds are also recorded in their respective fund statements. Capital assets, with the exception of infrastructure and internally generated software, are defined by the State as assets, which cost $5 thousand or more when acquired and have an estimated useful life greater than one year. Infrastructure assets are capitalized if the cost is over $1 million. Internally generated software is capitalized if the cost is over $500 thousand. Purchased or constructed capital assets are recorded at cost or at estimated historical cost where historical cost is not available. Donated capital assets are valued at their estimated fair value at the date of donation.

Capital assets purchased by governmental funds are recorded as expenditures in the governmental fund financial statements. Interest expense for capital asset construction related to governmental

activities is not capitalized. Interest expense incurred during construction of capital facilities related to business-type activities and component units is immaterial and is not capitalized in all cases.

Buildings, equipment, and other assets are depreciated or amortized using the straight-line method over the following estimated useful lives:

Asset Class	Years
Equipment/Software	3–15
Aircraft and Heavy Equipment	5–30
Buildings and Improvements	30–40
Land Improvements	5–20
Infrastructure	15–80

As provided by GASB standards, the State has elected to use the "modified approach" to account for infrastructure assets (i.e., roads and bridges) maintained by the State's Department of Transportation. This includes infrastructure acquired prior to fiscal year 1981. Under this approach, depreciation expense is not recorded and only improvements that expand the capacity or efficiency of an infrastructure asset are capitalized. Using this approach requires the State to: (***1***) maintain an inventory of the assets and perform periodic condition assessments; (***2***) estimate each year the annual amount to maintain and preserve the assets at the condition level set by the State; and (***3***) document that the assets are being preserved approximately at or above the condition level set by the State. Other infrastructure, which is primarily maintained by the Department of Natural Resources, is capitalized and depreciated.

Most works of art and historical treasures of the primary government are not capitalized or depreciated. These assets are held for public exhibition, education, or research rather than financial gain. These assets are also protected, unencumbered, and preserved and subject to policies requiring the proceeds from sales of collection items to be used to acquire other collection items. The State's assets of this nature include the State Fine Art Collection, photographs, prints, paintings, historical documents and artifacts, monuments, statues, and paleontological and archaeological collections.

Accrued Liabilities

Accrued liabilities include the liability for employee payrolls and liabilities accruing over time where demand for payment is due shortly after fiscal yearend. See Note 6 for additional information about accrued liabilities.

Deferred Outflows of Resources

In the government-wide statements component units column, the discrete component unit Utah Housing Corporation (major component unit) deferred outflows of resources is the fair value of various interest swap contracts and forward sales contracts.

Unearned Revenue — Unearned and Unavailable

In the government-wide statements, proprietary fund statements, and fiduciary fund statements, unearned revenue is recorded when cash or other assets are received prior to being earned. In the governmental fund statements, unearned revenue is recorded when revenue is either unearned or unavailable. Unearned revenues for the Student Assistance Programs (major enterprise fund) are federal default fees that are recognized as income over a period of ten years using the sum-of-the-years-digits method.

Policy Claims Liabilities

Policy claims liabilities are for insurance claims incurred prior to the reporting date and are based on actuarial estimates; however, policy claims liabilities for Unemployment Insurance are for claims filed as of the reporting date. A substantial portion of policy claims liabilities is long-term in nature. Therefore, claims liabilities are reported as long-term liabilities on the Statement of Net Position. See Note 10 for additional information about policy claims liabilities.

Long-term Debt

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts, deferred amounts on refunding, as well as issuance costs, are deferred and amortized over the life of the bonds using the bonds outstanding method or straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount and deferred amount on refunding. Bond issuance costs are reported as other assets.

In the governmental fund financial statements, bond premiums and discounts, as well as bond issuance costs, are recognized during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

The *Tax Reform Act of 1986* requires governmental entities issuing tax-exempt bonds to refund to the U.S. Treasury interest earnings on bond proceeds in excess of the yield on those bonds. Governmental entities must comply with arbitrage rebate requirements in order for their bonds to maintain tax-exempt status. Entities are required to remit arbitrage rebate payments for non-purpose interest to the federal government at least once every five years over the life of the bonds. Federal regulations also require the Student Assistance Programs (major enterprise fund) to keep the yield on student loans within a designated percentage of the interest cost of the related tax-exempt borrowing. One method of reducing this yield is to make yield reduction payments to the United States Treasury. Estimated yield reduction payments may be made by the end of the tenth year and every fifth year thereafter during the life of the bonds. Some State of Utah bonds may be exempt from the rebate requirements if they meet certain statutory exceptions per the regulations.

Arbitrage liability is treated as an expense in the government-wide Statement of Net Position and the proprietary fund financial statements when the liability is recognized. Arbitrage liability is recorded as an expenditure in the governmental fund financial statements when the liability is due. At June 30, 2013, there was no estimated arbitrage rebate liability in the Student Assistance Programs (major enterprise fund) due to a negotiated closing agreement with the Internal Revenue Service under the Voluntary

Closing Agreement Program with respect to selected student loan revenue bonds identified as covered bonds in the agreement. The agreement provides that the interest on the covered bonds will remain excluded from gross income of the holders of the bonds and interest on the bonds will not become taxable. The agreement also provides that the Board has no ongoing excess yield liability with respect to the covered bonds. Other arbitrage liabilities are immaterial.

Compensated Absences and Postemployment Benefits

Employees' vacation leave is accrued at a rate of four hours every two weeks for the first five years of employment, and grows to a rate of seven hours every two weeks after 20 years of employment. There is no requirement to use vacation leave, but a maximum of 320 hours may be carried forward at the beginning of each calendar year. Unused vacation leave is paid to employees upon termination. Employees who have a sick leave balance in excess of 144 hours at the beginning of a calendar year are eligible to "convert" up to 40 hours of sick leave if less than that amount is used during the year. Employees may use converted sick leave in place of annual leave. Any balance in converted sick is paid to employees upon termination. This converted sick leave program ends on January 1, 2014. The total liability of the governmental activities for compensated absences is recorded in the government-wide Statement of Net Position as part of long-term liabilities. However, in accordance with GAAP, the liability is not recorded in the governmental fund financial statements. See Note 10 for additional information about the liability.

Employees earn sick leave at a rate of four hours for each two-week period, with no limit to the amount that can be accumulated. The State does not reimburse employees for unused sick leave upon termination unless employees are eligible for retirement or the sick leave is "converted". Sick leave is expended when used.

At retirement, for participating agencies, an employee receives 25 percent of the value of all unused accumulated sick leave as a mandatory employer contribution into a 401(k) account. Each day of remaining sick leave earned prior to January 1, 2006, may be used to participate in the State Employee Other Postemployment Benefit Plan (State Employee OPEB Plan, a single-employer defined benefit healthcare plan) to purchase health and life insurance coverage or Medicare supplemental insurance. Any remaining sick leave earned on or after January 1, 2006 but before January 4, 2014, is converted to a value (based on the higher of the employee's rate of pay at retirement or the average pay rate of retirees in the previous year) and placed in a Health Reimbursement Arrangement administered by Utah Retirement Systems. The Annual Required Contribution (ARC) needed to fund current and future liabilities of the State Employee OPEB Plan is provided by charges to agency budgets. The ARC is deposited and payments of postemployment health and life insurance benefits to retirees are made from the State Post-Retirement Benefits Trust Fund. See Note 17 for additional information about the State Employee OPEB Plan administered as an irrevocable trust.

The State of Utah also administers the Elected Official OPEB Plan, a single-employer defined benefit healthcare plan from an irrevocable trust. Only governors and legislators (elected official) that retire after January 1, 1998 and have four or more years of service can elect to receive and apply for this benefit. To qualify for health coverage, an elected official must be between 62 and 65 years of age and either be an active member at the time of retirement or have continued health coverage with the program until the date of eligibility. In addition, to qualify for health coverage, an elected official must have service prior to January 1, 2012. To qualify for Medicare supplemental coverage an elected official must be at least 65 years of age. In addition, the elected official must retire under Chapter 19, *Utah Governors' and Legislators' Retirement Act*, and have service prior to July 1, 2013. The State will pay a portion or all the health benefit costs for the elected official and spouse based on years of service. See Note 17 for additional information.

For administrative purposes, the State maintains compensated absences pools within the General Fund, Education Fund, and Transportation Fund. The ongoing payments from the pools are provided by charges to agency budgets as benefits are earned. Vacation leave taken as time off is paid from current budgets when used. Payment of leave balances at termination is made from the compensated absences pools. Proprietary funds, Utah Schools for the Deaf and the Blind, and private purpose trust funds of the primary government also participate in the pools and the State Employee OPEB Plan, and have no liability for leave or postemployment benefits once their contributions have been made.

Compensatory time for overtime worked may be earned up to a maximum of 80 hours. Any overtime exceeding 80 hours is paid when earned. In accordance with GAAP, compensatory time is expended when the leave is taken in governmental funds, but is expensed when earned for budgetary purposes.

Vacation earnings, sick leave earnings, and termination policies vary among component units and from the primary government's policies, but usually vacation leave is expended when earned and sick leave is expended when used.

Deferred Inflows of Resources

In the government-wide statements business-type activities column, the Student Assistance Programs (major enterprise fund), deferred inflows of resources is the fair value of a hedging derivative instrument for an interest rate exchange (swap) agreement. In the component units column, the discrete component unit Utah Housing Corporation (major component unit) deferred inflows of resources is fair value of various interest swap contracts and forward sales contracts.

Net Position/Fund Balances

The difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources is "Net Position" on the government-wide, proprietary fund, and fiduciary fund financial statements and "Fund Balance" on the governmental fund financial statements.

In the governmental fund financial statements, fund balances are classified as nonspendable, restricted, or unrestricted (committed, assigned, or unassigned). Restricted balances represent those portions of fund balance where constraints placed on the resources are either externally imposed or imposed by law through constitutional provisions or enabling legislation. Committed fund balance represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Legislature, such as an appropriation or legislation. Assigned fund balance is constrained by the

Legislature's intent to be used for specific purposes, by directive of the Executive Appropriations Committee of the Legislature or in some cases by legislation. See Note 11 for additional information about fund balances.

The State maintains two stabilization accounts: (1) the General Fund Budget Reserve Account in the General Fund (the "Rainy Day Fund") reported as committed fund balance; and (2) the Education Budget Reserve Account in the Education Fund (the "Education Reserve") reported as restricted fund balance. The resources of both accounts may only be expended when specific non-routine budget shortfalls occur and upon appropriation by the Legislature. See Note 11 for additional information about the stabilization accounts.

F. Revenues and Expenditures/Expenses

When an expenditure/expense is incurred for purposes for which both restricted and unrestricted resources are available, it is the State's general policy to use restricted resources first. When expenditures/expenses are incurred for purposes for which unrestricted (committed, assigned, and unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the State's general policy to spend committed resources first. However, the State has some programs that are funded by appropriations from both unrestricted resources and resources required by law to be deposited in a specific subfund for a specific purpose (which may include restricted resources and unrestricted-committed resources). In those instances, it is the State's policy to expend those resources proportionally based on the amounts appropriated from each source.

Grants

Federal grants and assistance awards made on the basis of entitlement periods are recorded as revenues when entitlement occurs. All federal reimbursement-type grants are recorded as revenues when the related allowable expenditures are incurred and all applicable eligibility requirements are met.

Federal grants include nonmonetary transactions for food and vaccine commodities. Commodities revenue and expenditures are valued at their federally reported value. Commodity inventories at yearend are immaterial. For the fiscal year ended June 30, 2013, the State reported revenue and expenditures of $23.867 million for commodities in the General Fund, and $15.247 million for commodities in the Education Fund (special revenue fund).

Investment Income

Investment income includes interest, dividends and other earnings, and the change in fair value of investments. Negative investment income is reported where the decrease in the fair value of investments due to market conditions exceeded the other components of investment income.

In accordance with state law, interest and dividend income from investments in the Trust Lands permanent fund and the State Endowment Fund (nonmajor governmental fund) is assigned to and reported directly in the Education Fund and the General Fund, respectively. One half of the applicable income reported in the General Fund is then transferred into the State Endowment Fund to increase the principal in the fund as required by state law.

Retirement and Employee Benefit Costs

Most state employees participate in a defined benefit pension plan and/or defined contribution plan administered by Utah Retirement Systems. Contributions collected for the pension plans and contribution plans and the retirement benefits paid are accounted for in the Pension and Other Employee Benefit Trust Funds. All costs for pension, health, and federal social security contributions are reported as expenditures in the appropriate function in governmental fund types or as expenses in applicable proprietary fund types. Pension and other benefit costs are recognized in the fiscal year in which the underlying payroll cost is incurred.

G. Interfund Transactions

Government-wide Financial Statements

Interfund Activity — In general, eliminations have been made to minimize the double counting of internal activity, including internal service fund type activity. However, interfund services, provided and used between different functional categories, have not been eliminated in order to avoid distorting the direct costs and program revenues of the applicable functions. Transfers between governmental and business-type activities are reported at the net amount.

Interfund Balances — Interfund receivables and payables have been eliminated from the government-wide Statement of Net Position, except for the residual amounts due between governmental and business-type activities.

Governmental Fund Financial Statements

Interfund Activity — Interfund transactions for goods sold or services rendered for a price approximating their external exchange value, and employee benefit contributions are accounted for as revenues and expenditures/expenses in the funds involved.

Transfers are used to report flows of cash (or other assets) between funds without equivalent flows of assets in return or a requirement for repayment. The State's transfers are based on legislative appropriations or other legal authority. Transfers are presented in Note 13.

H. Future Changes in Accounting Standards

The governmental Accounting Standards Board (GASB) issued Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25,* and GASB Statement No. 68, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 27,* effective for fiscal years 2014 and 2015, respectively.

These new accounting and reporting standards may impact the State's measurement and recognition of liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures in government-wide and/or fund financial statements. The requirements of these statements may require restating of beginning net position and fund balances. The State is currently not planning to early implement these Statements, and has made no estimation of the effect these Statements will have on the financial statements.

NOTE 2. BEGINNING NET POSITION ADJUSTMENTS AND OTHER CHANGES

Adjustment to Beginning Net Position

An adjustment was made to decrease beginning net position of the University of Utah (major component unit) by $72.994 million for certain costs and associated accumulated depreciation. Total costs decreased by approximately $18.822 million and accumulated depreciation increased by $54.172 million.

GASB Statement Changes

For the fiscal year ended June 30, 2013, the State implemented the following new accounting standards issued by the Governmental Account Standards Board (GASB):

GASB Statement 61, *The Financial Reporting Entity: Omnibus.*

GASB Statement 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.*

GASB Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.*

GASB Statement 61 modifies existing requirements used for assessing potential component units in determining what should be included in the financial reporting entity; and financial reporting entity display and disclosure requirements. Implementing this statement resulted in no changes to the financial reporting entity or display; however, the note disclosures were revised to reflect the new disclosure requirements.

GASB Statement 62 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance from other pronouncements that were issued on or before November 30, 1989. As a result, slight revisions were made to the note disclosures.

GASB Statement 63 provides guidance for reporting transactions that result in the consumption or acquisition of nets assets in one period that are applicable to future periods (deferred outflows of resources and deferred inflows of resources). As a result of implementing this Statement, presentation and terminology changes were made to the government-wide statements and fund financial statements as necessary. The reporting of all deferred outflows of resources and deferred inflows of resources will be implemented in fiscal year 2014 with GASB Statement 65, *Items Previously Reported as Assets and Liabilities.*

All provisions of these new statements have been incorporated into the financial statements and notes.

NOTE 3. DEPOSITS AND INVESTMENTS

Deposits and investments for the primary government and its discrete component units are governed by the Utah Money Management Act (*Utah Code*, Title 51, Chapter 7) and rules of the State Money Management Council. However, the Act also permits certain funds that have a long time horizon to make investments of a long-term nature, such as equities and bond mutual funds. In the primary government this is the Employers' Reinsurance Trust (private purpose trust). Exempt from the Act in the primary government are the State Endowment (special revenue fund), Trust Lands (permanent fund), Utah Educational Savings Plan Trust (private purpose trust), Utah Retirement Systems, and employee benefit trust funds. The discrete component units exempt from the Act are Utah Housing Corporation, Public Employees Health Program, and the college and universities' endowment funds.

A. Primary Government

Custodial Credit Risk — Deposits

The custodial credit risk for deposits is the risk that in the event of a bank failure, the State's deposits may not be recovered. The Money Management Act requires that deposits be in a qualified depository. The Act defines a qualified depository as any financial institution whose deposits are insured by an agency of the federal government and that has been certified by the State Commissioner of Financial Institutions as having met the requirements of the Act and adhering to the rules of the State Money Management Council.

Deposits with qualified depository institutions in excess of FDIC insurance limits are uninsured and uncollateralized. Deposits are not collateralized nor are they required to be by state statute. The deposits for the primary government at June 30, 2013, were $997.746 million. These deposits are exposed to custodial credit risk as follows:

- $373.688 million were exposed to custodial credit risk as uninsured and uncollateralized.
- Exposure to custodial credit risk cannot be determined for $606.241 million of the primary government deposits which are in an FDIC-Insured Savings account at Zions First National Bank (Bank) for Account Owners in the Utah Educational Savings Plan Trust (UESP) (private purpose trust). Contributions to and earnings on the FDIC-insured savings account are insured by the FDIC on a pass-through basis to each Account Owner up to the maximum amount set by federal law, currently $250,000. The amount of FDIC insurance provided to an individual is based on the total of (1) the value of an Account Owner's investments in UESP's FDIC-insured savings account plus (2) the value of other accounts held (if any) at Zions First National Bank (the "Bank"), as determined by the Bank and by FDIC regulations. It is the Account Owner's responsibility to determine how investments in the savings account would be aggregated with other investments at the Bank for purposes of FDIC insurance.

Investments

The Money Management Act defines the types of securities authorized as appropriate investments and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities.

The Act authorizes investments in negotiable or nonnegotiable deposits of qualified depositories and permitted depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations; bankers' acceptances; obligations of the United States Treasury including bills, notes, and bonds;

obligations, other than mortgage derivative products, issued by U.S. government sponsored enterprises (U.S. Agencies) such as the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae); bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in the Money Management Act; the Utah Public Treasurers' Investment Fund; and reciprocal deposits subject to rules of the State Money Management Council.

The Utah Educational Savings Plan Trust is permitted to invest in the Utah Public Treasurers' Investment Fund; mutual funds, securities, or other investments registered with the United States Securities and Exchange Commission; federally insured depository institutions; stable value products, including guaranteed investment contracts, guaranteed interest contracts, and guaranteed insurance contracts; and any investments that are determined by the board of directors of the Utah Educational Savings Plan to be appropriate and that would be authorized under the provisions of the Money Management Act or Rule 2 of the State Money Management Council.

The primary government's investments at June 30, 2013, are presented below. All investments, except those of the Utah Retirement Systems (pension and other employee benefit trust funds), are presented by investment type and debt securities are presented by maturity. The Utah Retirement Systems are presented consistent with their separately issued financial statements by investment type.

Primary Government Investments
(except pension and other employee benefit trust funds)
At June 30, 2013
(Expressed in Thousands)

		Investment Maturities (in years)			
Investment Type	**Fair Value**	**Less Than 1**	**1–5**	**6–10**	**More Than 10**
Debt Securities					
U.S. Treasuries	$ 8,729	$ 8,729	$ —	$ —	$ —
U.S. Agencies	3,884	753	1,581	753	797
Corporate Debt	7,529,258	7,493,278	35,980	—	—
Negotiable Certificates of Deposit	206,901	206,901	—	—	—
Money Market Mutual Funds	480,074	480,074	—	—	—
Municipal/Public Bonds	2,750	—	—	750	2,000
Commercial Paper	1,835,873	1,835,873	—	—	—
Bond Mutual Funds	1,864,401	41	1,273,139	591,221	—
Total Debt Securities Investments	11,931,870	$10,025,649	$ 1,310,700	$ 592,724	$ 2,797
Other Investments					
Equity Securities	8,301				
Equity Mutual Funds Securities:					
Domestic	4,087,803				
International	991,560				
U.S. Unemployment Trust Pool	567,784				
Real Estate Held for Investment Purposes	177,907				
Real Estate Joint Ventures	7,322				
Component Units Investment in Primary Government's Investment Pool	(682,777)				
Total Investments	$17,089,770				

The majority of the primary government's corporate debt securities are variable-rate securities, which adjust periodically to the prevailing market interest rates. Because these securities frequently reprice, interest rate risk is substantially reduced at each periodic reset date. In the table above, variable-rate securities are presented according to the length of time until the next reset date rather than the stated maturity.

In addition, significant funds with a long-term investment perspective have the following mix of investments (percentages are of the fund's total investments).

- Utah Educational Savings Plan Trust (private purpose trust) – $3.111 billion, 59 percent, in domestic equity mutual fund securities; $1.349 billion, 26 percent, in bond mutual funds; $692.468 million, 13 percent, in international equity mutual fund securities; and $113.011 million, 2 percent, in the Utah Public Treasurers' Investment Fund.
- Trust Lands (permanent fund) – $761.882 million, 47 percent, in domestic equity mutual fund securities; $356.070 million, 22 percent, in bond mutual funds; $299.092 million, 19 percent, in international equity mutual fund securities; $183.917 million, 11 percent in real estate; and $8.955 million, 1 percent, in the Utah Public Treasurers' Investment Fund.

- State Post-Retirement Benefits Trusts (pension and other employee benefit trust funds) – $68.147 million, 39 percent, in domestic equity mutual fund securities; and $107.170 million, 61 percent, in bond mutual funds.
- State Endowment Fund (special revenue fund) – $75.541 million, 55 percent, in domestic equity mutual fund securities; and $52.504 million, 38 percent, in bond mutual funds; and $9.092 million, 7 percent, in the Utah Public Treasurers' Investment Fund.
- Student Assistance Programs (major enterprise fund) – $70.969 million, 31 percent, in domestic equity mutual fund securities; and $155.569 million, 69 percent, in the Utah Public Treasurers' Investment Fund.

Utah Retirement Systems
(pension and other employee benefit trust funds)
Investments at Fair Value
At December 31, 2012
(Expressed in Thousands)

Investment Type	Defined Benefit	Defined Contribution	Total All Systems and Plans
Short-term Securities Pools – Domestic	$ 1,295,797	$ 10,212	$ 1,306,009
Short-term Securities Pools – International	40,811	—	40,811
Debt Securities – Domestic	2,266,225	1,525,990	3,792,215
Debt Securities – International	1,010,413	104,469	1,114,882
Equity Securities – Domestic	3,147,915	1,520,792	4,668,707
Equity Securities – International	4,389,977	365,807	4,755,784
Absolute Return	3,474,308	—	3,474,308
Alternative Investments (Venture Capital)	2,593,847	—	2,593,847
Real Assets	3,094,442	45,410	3,139,852
Mortgage Loans:			
Real Estate Notes	6,847	—	6,847
Investments Held by Broker-dealers under Securities Lending Program:			
Debt Securities – Domestic	774,804	—	774,804
Debt Securities – International	41,059	—	41,059
Equity Securities – Domestic	449,185	—	449,185
Equity Securities – International	285,307	—	285,307
Total Investments	22,870,937	3,572,680	26,443,617
Securities Lending Collateral Pool	1,590,130	—	1,590,130
Total Investments	$ 24,461,067	$ 3,572,680	$ 28,033,747

Interest Rate Risk — Investments

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

The primary government's policy for managing interest rate risk is to comply with the Money Management Act. Section 51–7–11 of the Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper, bankers' acceptances, fixed rate negotiable deposits, and fixed rate corporate obligations to 15 months or less. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding three years.

The Utah Retirement Systems (URS) (pension and other employee benefit trust funds) manage their exposure to fair value loss arising from increasing interest rates by complying with the following policy:

- For domestic debt securities managers, an individual debt securities investment manager's portfolio shall have an effective duration between 75 and 125 percent of the effective duration of the appropriate index.
- The international debt securities investment managers shall maintain an effective duration of their portfolio between 50 and 150 percent of the appropriate index.

Duration is a measure of a debt investment's exposure to fair value changes arising from changes in interest rates. It uses the present value of cash flows, weighted for those cash flows as a percentage of the investment's full price.

The URS compares an investment's effective duration against the Barclays Capital US Aggregate Index for domestic debt securities, the Barclays Capital Global Aggregate Index for international debt securities, and the Barclays Capital World Government Inflation-

Linked Investment Grade Custom Index (USD hedged) for inflation-linked debt securities. The index range at December 31, 2012, was 3.79 – 6.32 for domestic debt securities, 2.92 – 8.76 for international debt securities, and 8.94 – 13.42 for inflation-linked debt securities. At December 31, 2012, no individual debt security investment manager's portfolio was outside of the policy guidelines. At December 31, 2012, the following tables show the investments by investment type, amount, and the effective weighted duration.

Utah Retirement Systems
(pension and other employee benefit trust funds)
Debt Securities Investments, Domestic
At December 31, 2012
(Expressed in Thousands)

	Defined Benefit Plans		Defined Contribution Plans		Total
Investment	**Fair Value**	**Effective Weighted Duration**	**Fair Value**	**Effective Weighted Duration**	**All Systems and Plans**
Asset-backed Securities	$ 141,514	1.12	$ 73,049	0.39	$ 214,563
Commercial Mortgage-backed	89,547	2.28	142,421	1.96	231,968
Corporate Bonds	505,349	5.46	516,306	4.32	1,021,655
Corporate Convertible Bonds	6,012	2.17	—	—	6,012
Fixed Income Derivatives – Futures	—	NA	—	—	—
Fixed Income Derivatives – Options	328	NA	—	—	328
Fixed Income Futures	—	NA	—	—	—
Government Agencies	90,929	4.97	43,187	2.22	134,116
Government Bonds	790,487	6.73	114,967	1.17	905,454
Government Mortgage-backed Securities	920,541	3.06	326,977	1.43	1,247,518
Gov't Issued Commercial Mortgage-backed	8,105	3.30	—	—	8,105
Government Mortgage-backed Securities	81,243	NA	—	—	81,243
Guaranteed Fixed Income	727	1.72	—	—	727
Index Linked Government Bonds	311,265	11.28	—	—	311,265
Municipal/Provincial Bonds	11,652	13.53	37,131	9.84	48,783
Non-government Backed C.M.O.s	86,068	1.56	—	—	86,068
Other Fixed Income	5	NA	51,839	NA	51,844
Collateral Held Elsewhere	—	NA	—	—	—
Other Options	(2,443)	NA	—	—	(2,443)
Swap Liabilities	(1,530)	NA	—	—	(1,530)
Swaps	1,230	NA	—	—	1,230
Treasury Inflation Protected Securities	—	—	17,795	1.07	17,795
Treasury Notes	—	—	155,733	5.96	155,733
Whole Loan C.M.O.s	—	—	46,585	1.85	46,585
Total Debt Securities Investments, Domestic	$ 3,041,029	5.29	$ 1,525,990	3.04	$ 4,567,019

(Table on next page.)

Utah Retirement Systems
(pension and other employee benefit trust funds)
Debt Securities Investments, International
At December 31, 2012
(Expressed in Thousands)

	Defined Benefit Plans		Defined Contribution Plans		
	Fair Value	Effective Weighted Duration	Fair Value	Effective Weighted Duration	All Systems and Plans
Asset Backed Securities	$ 10,697	0.04	$ 4,172	1.04	$ 14,869
Commercial Mortgage Obligations	—	NA	163	4.21	163
Corporate Bonds	213,700	3.84	25,830	3.85	239,530
Fixed Income Derivative – Futures	(66,165)	8.45	1,215	7.20	(64,950)
Fixed Income Futures	66,165	NA	(1,215)	NA	64,950
Government Agencies	11,051	2.75	619	3.90	11,670
Government Bonds	257,301	5.90	31,042	8.98	288,343
Guaranteed Fixed Income	10,224	0.99	—	NA	10,224
Index Linked Government Bonds	532,609	5.13	35,276	8.59	567,885
Municipal/Provincial Bonds	2,663	2.91	2,975	5.12	5,638
Non-government Backed C.M.O.s	13,221	0.20	—	NA	13,221
Other Options	6	NA	4,392	0.01	4,398
Total	$1,051,472	4.68	$ 104,469	6.82	$1,155,941

Credit Risk of Debt Securities

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The primary government, with the exception of the Utah Retirement Systems (URS) (pension and other employee benefit trust funds), follows the Money Management Act as previously discussed as its policy for reducing exposure to investment credit risk.

The primary government's rated debt investments as of June 30, 2013, with the exception of URS, were rated by Standard and Poor's and/or an equivalent nationally recognized statistical rating organization and the ratings are presented below using the Standard and Poor's rating scale. Securities rated less than "A" met the investment criteria at the time of purchase.

Primary Government Rated Debt Investments
(except pension and other employee benefit trust funds)
At June 30, 2013
(Expressed in Thousands)

	Fair	Quality Ratings			
Debt Investments	Value	AAA	AA	A	BBB
U.S. Agencies	$ 3,884	$ —	$ 3,087	$ —	$ —
Corporate Debt	$ 7,529,258	$ —	$ 853,675	$ 5,341,998	$ 1,291,633
Negotiable Certificates of Deposit	$ 206,901	$ —	$ 176,626	$ 30,011	$ —
Money Market Mutual Funds	$ 480,074	$ 5,074	$ —	$ —	$ —
Municipal/Public Bonds	$ 2,750	$ 1,250	$ 1,500	$ —	$ —
Commercial Paper	$ 1,835,873	$ —	$ —	$ —	$ —
Bond Mutual Funds	$ 1,864,401	$ —	$ —	$ —	$ —

Continues Below

	Quality Ratings			
Debt Investments	BB	A1 *	A2 *	Unrated
U.S. Agencies	$ —	$ —	$ —	$ 797
Corporate Debt	$ 41,952	$ —	$ —	$ —
Negotiable Certificates of Deposit	$ —	$ —	$ —	$ 264
Money Market Mutual Funds	$ —	$ —	$ —	$ 475,000
Municipal/Public Bonds	$ —	$ —	$ —	$ —
Commercial Paper	$ —	$ 1,660,953	$ 174,920	$ —
Bond Mutual Funds	$ —	$ —	$ —	$ 1,864,401

***** A1 and A2 are Commercial Paper ratings

The URS expects its domestic debt securities investment managers to maintain diversified portfolios by sector and by issuer using the following guidelines:

- U.S. government and agency securities — no restriction.
- Total portfolio quality shall maintain a minimum overall rating of "A" (S&P) or equivalent rating.
- Securities with a quality rating of below BBB– are considered below investment grade. No more than 5 percent of an investment manager's assets at market with a single issuer of 1 percent of the total portfolio can be below investment grade.
- Upon approval, a domestic debt securities investment manager may invest up to 10 percent of the portfolio in non-U.S. dollar denominated bonds.
- Upon approval, the international debt securities investment managers may hold up to 25 percent of the market value of their portfolios in securities rated below investment grade (S&P index BBB– or Moody's index Baa3). The remaining assets shall have on average an investment grade rating.

The weighted quality rating average of the domestic debt securities, excluding pooled investments, at December 31, 2012, is AAA and the fair value of below grade investments is $161.944 million or 5.33 percent of the domestic portfolio. The weighted quality rating average of the international debt securities investments, at December 31, 2012, is AA+ and the fair value of below grade investments is $82.923 million or 7.89 percent of the international portfolio.

The following table presents the URS credit risk ratings as of December 31, 2012:

(Table on next page.)

Utah Retirement Systems
(pension and other employee benefit trust funds)
Debt Securities Investments at Fair Value
At December 31, 2012
(Expressed in Thousands)

Quality Rating	Defined Benefit Plans			Defined Contribution Plans			Total All Systems and Plans
	Domestic	International	Total	Domestic	International	Total	
AAA	$ 1,084,195	$ 280,528	$ 1,364,723	$ 193,608	$ 26,636	$ 220,244	$ 1,584,967
AA+	66,089	364,008	430,097	123,934	21,596	145,530	575,627
AA	16,365	5,175	21,540	61,432	706	62,138	83,678
AA–	24,332	70,334	94,666	1,418	6,088	7,506	102,172
A+	57,220	18,617	75,837	57,931	1,875	59,806	135,643
A	87,127	33,327	120,454	30,279	6,276	36,555	157,009
A–	144,776	48,884	193,660	59,221	7,233	66,454	260,114
BBB+	70,863	19,672	90,535	275,177	11,098	286,275	376,810
BBB	64,345	114,604	178,949	73,764	4,161	77,925	256,874
BBB–	57,244	13,400	70,644	30,923	6,748	37,671	108,315
BB+	5,327	4,210	9,537	18,568	2,107	20,675	30,212
BB	11,726	19,316	31,042	18,164	1,051	19,215	50,257
BB–	6,961	—	6,961	—	955	955	7,916
B+	1,670	—	1,670	22,403	1,271	23,674	25,344
B	8,278	—	8,278	—	177	177	8,455
B–	8,330	2,853	11,183	—	—	—	11,183
CCC+	3,859	2,731	6,590	—	—	—	6,590
CCC	6,584	—	6,584	—	—	—	6,584
CCC–	1,531	—	1,531	—	—	—	1,531
CC	7,766	—	7,766	—	—	—	7,766
D	2,886	—	2,886	—	—	—	2,886
NR	97,025	53,813	150,838	18,924	6,121	25,045	175,883
Total Credit Risk Debt Securities	1,834,499	1,051,472	2,885,971	985,746	104,099	1,089,845	3,975,816
U.S. Government and Agencies:							
Farm Credit Bank AA+	1,000	—	1,000	—	—	—	1,000
Home Loan Bank AA	1,979	—	1,979	—	—	—	1,979
Home Loan Mortgage Corp. AA+	24,704	—	24,704	—	—	—	24,704
National Mortgage Association AA	42,470	—	42,470	—	—	—	42,470
National Mortgage Association A–	—	—	—	102,398	—	102,398	102,398
Home Loan Mortgage Corp. BBB	—	—	—	67,665	—	67,665	67,665
Home Loan Mortgage Corp. NR	221,440	—	221,440	—	—	—	221,440
National Mortgage Association NR	564,931	—	564,931	—	—	—	564,931
Other Government Agencies NR	350,006	—	350,006	370,181	370	370,551	720,557
Total U.S. Government and Agencies	1,206,530	—	1,206,530	540,244	370	540,614	1,747,144
Total Debt Security Investments	$ 3,041,029	$ 1,051,472	$ 4,092,501	$ 1,525,990	$ 104,469	$ 1,630,459	$ 5,722,960

Custodial Credit Risk — Investments

Custodial credit risk for investments is the risk that, in the event of a failure of the counter party, the State will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The primary government does not have a formal policy for custodial credit risk.

The primary government's investments at June 30, 2013, except those of the Utah Retirement Systems (URS) (pension and other employee benefit trust funds), were held by the State or in the State's name by the State's custodial banks.

At December 31, 2012, the URS investments were registered in the name of URS and held by their custodians; however, there is $22.378 million frictional cash and cash equivalents subject to custodial risk in foreign banks held in URS' name, but because it is in foreign banks it is subject to custodial risk. URS does not have an investment policy regarding custodial credit risk for frictional cash in foreign banks. URS also has $21.315 million of investments for which exposure to custodial credit risk could not be determined.

Concentration of Credit Risk — Investments

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

Except for the Utah Retirement Systems (URS) (pension and other employee benefit trust funds), the primary government's policy for reducing this risk of loss is to comply with the Rules of the State Money Management Council. Rule 17 of the State Money Management Council limits investments in a single issuer of commercial paper and corporate obligations to between 5 and 10 percent depending upon the total dollar amount held in the portfolio. Such limitations do not apply to securities issued by the U.S. government and its agencies.

The primary government had no debt securities investments at June 30, 2013, with more than 5 percent of the total investments in a single issuer.

The Utah Retirement Systems debt securities investments had no single issuer investments at December 31, 2012, that exceed their diversified portfolio by sector and by issuer using the following guidelines:

- AAA/Aaa Debt Securities — no more than 5 percent of an investment manager's assets at market with a single issuer.
- AA–/Aa3 Debt Securities or higher — no more than 4 percent of an investment manager's assets at market with a single issuer.
- A–/A3 Debt Securities or higher — no more than 3 percent of an investment manager's assets at market with a single issuer.
- BBB–/Baa3 Debt Securities or higher — no more than 2 percent of an investment manager's assets at market with a single issuer.
- For Debt Securities — no individual holding shall constitute more than 10 percent of the market value of outstanding debt of a single issuer with the exception of the U.S. government or its agencies, or collateralized mortgage obligations.
- For Domestic Equity Securities — no individual holdings shall constitute more than 4 percent of the securities of any single issuer. Also, no more than 8 percent of an investment manager's assets shall be invested in the equity or REIT securities of any single issuer at market; or if specifically authorized in the manager's contract, the exposure of the portfolio to any single issuer shall not exceed the greater of 5 percent of the portfolio value or 2 percent of the portfolio value plus the benchmark weight measured at the time of purchase.
- For International Equity Securities — no more than 8 percent of an investment manager's assets shall be invested in the equity or REIT securities of any single issuer at market; or if specifically authorized in the manager's contract, the exposure of the portfolio to any single issuer shall not exceed the greater of 5 percent of the portfolio value or 2 percent of the portfolio value plus the benchmark weight measured at the time of purchase.

Foreign Currency Risk — Investments

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The primary government, except the Utah Retirement Systems (URS) (pension and other employee benefit trust funds), does not have a formal policy to limit foreign currency risk.

The Utah Educational Savings Plan Trust (private purpose trust) has $692.468 million and the Trust Lands (permanent fund) has $299.092 million invested in international equity funds. As such, no foreign currency risk is presented.

The Utah Retirement Systems (URS) (pension and other employee benefit trust funds), expect the International Securities Investment Managers to maintain diversified portfolios by sector and by issuer using the following guidelines:

- International investment managers invest in fixed income instruments and equity instruments of corporations headquartered outside of the United States unless specifically authorized within the investment manager's contract.
- Domestic investment managers are allowed to invest in international corporations traded in American Depository Receipts (ADR).
- Portfolios should be adequately diversified to limit foreign currency and security risk.

Risk of loss arises from changes in currency exchange rates. URS exposure to foreign currency risk is shown below.

(Table on next page.)

Utah Retirement Systems
(pension and other employee benefit trust funds)
Foreign Currency Risk
International Investment Securities at Fair Value
At December 31, 2012
(Expressed in Thousands)

	Defined Benefit Plans				Defined Contribution Plans			Total All Systems
Currency	**Short-Term**	**Equity**	**Debt**	**Total**	**Equity**	**Debt**	**Total**	**And Plans**
ADR* US dollar	$ —	$ 355,800	$ 8,419	$ 364,219	$ 2,980	$ 26,443	$ 29,423	$ 393,642
Argentine peso	—	1,191	—	1,191	—	—	—	1,191
Australian dollar	3,255	184,015	18,350	205,620	22,054	1,841	23,895	229,515
Bahamian dollar	—	—	—	—	9	—	9	9
Bahraini dinar	—	—	2,365	2,365	—	—	—	2,365
Bermuda – US dollar	—	10	1,813	1,823	1,460	—	1,460	3,283
Brazilian real	12	95,487	8,102	103,601	10,768	1,865	12,633	116,234
British pound sterling	2,665	699,108	344,542	1,046,315	52,608	10,876	63,484	1,109,799
Canadian dollar	3,476	266,849	69,189	339,514	28,666	3,836	32,502	372,016
Cayman Islands dollar	—	7	688	695	2,747	167	2,914	3,609
Chilean peso	64	15,375	870	16,309	1,601	1,354	2,955	19,264
Chinese yuan renminbi	—	154,346	—	154,346	10,800	201	11,001	165,347
Columbian peso	23	10,110	—	10,133	1,042	142	1,184	11,317
Congolese franc	—	—	—	—	9	—	9	9
Croatian kuna	—	—	3,021	3,021	—	—	—	3,021
Czech koruna	28	1,953	225	2,206	261	—	261	2,467
Danish krone	153	26,197	—	26,350	2,952	3	2,955	29,305
Egyptian pound	21	6,688	—	6,709	311	—	311	7,020
Euro	18,392	1,026,859	340,283	1,385,534	72,235	25,110	97,345	1,482,879
French Pacific franc	—	—	—	—	2	—	2	2
Gibraltar pounds	—	—	—	—	29	—	29	29
Guernsey pound	—	—	211	211	—	—	—	211
Hong Kong dollar	651	98,733	4,487	103,871	9,471	2,077	11,548	115,419
Hungarian forint	16	1,787	1,769	3,572	185	—	185	3,757
Icelandic krona	—	—	2,263	2,263	—	395	395	2,658
Indian rupee	121	75,161	—	75,282	5,886	—	5,886	81,168
Indonesian rupiah	59	19,920	—	19,979	2,548	—	2,548	22,527
Isle of Man pound	—	—	—	—	140	202	342	342
Japanese yen	7,822	684,074	72,708	764,604	50,713	11,734	62,447	827,051
Kazakhstani tenge	—	—	—	—	—	202	202	202
Korean won	2	137,149	6,683	143,834	107	342	449	144,283
Malaysian ringgit	165	38,227	645	39,037	3,228	428	3,656	42,693
Mauritian rupee	—	2,325	—	2,325	75	—	75	2,400
Mexican peso	31	33,236	25,781	59,048	4,160	3,414	7,574	66,622
Mongolian tugriks	—	—	—	—	—	198	198	198
Moroccan dirham	11	1,941	—	1,952	73	—	73	2,025
New Israeli sheqel	123	17,541	6,162	23,826	1,496	—	1,496	25,322
New Zealand dollar	100	2,720	—	2,820	483	166	649	3,469
Norwegian krone	121	37,278	15,484	52,883	2,252	691	2,943	55,826
Peruvian nuevo soles	3	4,580	—	4,583	157	539	696	5,279
Philippines peso	—	7,626	—	7,626	905	—	905	8,531
Polish zloty	27	9,154	19,882	29,063	1,374	844	2,218	31,281
Puerto Rico – US dollar	—	373	—	373	—	—	—	373
Qatari riyal	—	—	937	937	—	—	—	937
Russian Federation ruble	—	52,222	6,726	58,948	4,800	685	5,485	64,433
Singaporean dollar	290	57,944	28,642	86,876	4,579	2,832	7,411	94,287
Slovakian koruna	—	—	—	—	—	2,388	2,388	2,388
Slovenian tolar	—	—	357	357	—	424	424	781
South African rand	26	57,041	633	57,700	6,806	620	7,426	65,126
South Korean won	—	—	—	—	13,743	—	13,743	13,743
Swedish krona	908	83,602	38,208	122,718	7,632	1,521	9,153	131,871
Swiss franc	1,139	284,053	19,577	304,769	19,765	1,761	21,526	326,295
Taiwanese new dollar	1,052	81,402	—	82,454	10,519	—	10,519	92,973
Thai baht	13	18,928	—	18,941	2,384	204	2,588	21,529
Turkish lira	32	19,024	—	19,056	1,792	687	2,479	21,535
United Arab Emirates dirham	10	5,248	2,450	7,708	—	—	—	7,708
Venezuelan bolivar	—	—	—	—	—	277	277	277
Total Securities Subject to Foreign Currency Risk…	$ 40,811	$4,675,284	$ 1,051,472	$ 5,767,567	$ 365,807	$ 104,469	$ 470,276	$ 6,237,843

***** American Depository Receipts

B. **Component Units**

Custodial Credit Risk — Deposits

The custodial credit risk for deposits is the risk that in the event of a bank failure, the component unit's deposits may not be recovered.

The component units follow the Utah Money Management Act by making deposits only in qualified depository institutions or in foreign depository institutions in accordance with rules of the State Money Management Council. Deposits with qualified depository institutions in excess of FDIC insurance limits amount are uninsured and uncollateralized. Deposits are not collateralized nor are they required to be by state statute. The deposits for the component units at June 30, 2013, were $146.59 million. Of these, $137.266 million were exposed to custodial credit risk as uninsured and uncollateralized.

Investments

The component units follow the applicable investing criteria described above for the primary government, with the exception of Utah Housing Corporation and Public Employees Health Program which are exempt from the Money Management Act.

College and university funds from gifts, private grants, and the corpus of funds functioning as endowments are invested according to the requirements of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and State Board of Regents Rule 541, Management and Reporting of Institutional Investments (Rule 541) or separate endowment investment policies which have been approved by their Board of Trustees and by the Board of Regents. The UPMIFA and Rule 541 allow the Entity to invest endowment funds (including gifts, devises, or bequests of property of any kind from any source) in any investments allowed by the Money Management Act or any of the following subject to satisfying certain criteria: professionally managed pooled or commingled investment funds registered with the Securities and Exchange Commission or the Comptroller of the Currency (e.g., mutual funds); professionally managed pooled or commingled investment funds created under 501(f) of the Internal Revenue Code which satisfy the conditions for exemption from registration under Section 3(c) of the Investment Company Act of 1940; any investment made in accordance with the donor's directions in a written instrument; and any alternative investment funds that derive returns primarily from high yield and distressed debt (hedged or non-hedged), private capital (including venture capital, private equity, both domestic and international), natural resources, and private real estate assets or absolute return and long/short hedge funds.

The component units' debt investments at June 30, 2013, are presented below.

Component Units Debt Securities Investments
At June 30, 2013
(Expressed in Thousands)

		Investment Maturities (in years)				
Investment Type	**Fair Value**	**Less Than 1**	**1–5**	**6–10**	**11–20**	**More Than 20**
Debt Securities						
U.S. Treasuries	$ 269,630	$ 220,477	$ 46,893	$ 1,388	$ 872	$ —
U.S. Agencies	982,511	406,764	129,044	217,400	178,503	50,800
Corporate Debt	435,978	245,573	123,002	52,423	14,980	—
Commercial Paper	19,106	19,106	—	—	—	—
Money Market Mutual Funds	520,893	520,893	—	—	—	—
Negotiable Certificates of Deposit	5,133	1,018	567	—	3,548	—
Municipal/Public Bonds	38,526	2,843	13,329	11,618	10,736	—
Repurchase Agreements	51,771	51,771	—	—	—	—
Guaranteed Investment Contracts	120,248	—	18,961	—	101,287	—
Bond Mutual Funds	283,044	94	63,084	212,261	7,605	—
Securities Lending Cash Collateral Pool	28,856	28,856	—	—	—	—
Utah Public Treasurers' Investment Fund	682,777	682,777	—	—	—	—
Total Debt Securities Investments	3,438,473	$ 2,180,172	$ 394,880	$ 495,090	$ 317,531	$ 50,800
Other Investments						
Equity Securities	28,368					
Equity Mutual Funds Securities:						
Domestic	85,375					
International	1,685					
Alternatives	9,987					
Total Investments	$ 3,563,888					

Interest Rate Risk — Investments

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The component units' policy for managing interest rate risk is the same as described above for the primary government.

Credit Risk of Debt Securities

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The component units' policy for reducing exposure to investment credit risk is the same as described above for the primary government. The component units' debt investments as of June 30, 2013, were rated by Standard and Poor's and/or an equivalent nationally recognized statistical rating organization and the ratings are presented below using the Standard and Poor's rating scale.

Component Units Rated Debt Investments
At June 30, 2013
(Expressed in Thousands)

Debt Investments	Fair Value	Quality Ratings AAA	AA	A	BBB
U.S. Agencies	$ 982,511	$ 522,460	$ 443,619	$ 10,603	$ 4,629
Corporate Debt	$ 435,978	$ 3,133	$ 8,535	$ 306,042	$ 90,642
Commercial Paper	$ 19,106	$ —	$ —	$ —	$ —
Money Market Mutual Funds	$ 520,893	$ 332,647	$ —	$ —	$ —
Negotiable Certificates of Deposit	$ 5,133	$ 241	$ 240	$ —	$ —
Municipal/Public Bonds	$ 38,526	$ 23,529	$ 12,635	$ 470	$ —
Guaranteed Investment Contracts	$ 120,248	$ —	$ —	$ —	$ —
Bond Mutual Funds	$ 283,044	$ —	$ 82,282	$ —	$ 818
Securities Lending Cash Collateral Pool	$ 28,856	$ —	$ —	$ —	$ —
Utah Public Treasurers' Investment Fund	$ 682,777	$ —	$ —	$ —	$ —
Repurchase Agreements – Underlying:					
U.S. Agencies	$ 51,771	$ —	$ 29,412	$ —	$ —

Continues Below

Debt Investments	Quality Ratings BB	B	A1 *	Unrated
U.S. Agencies	$ —	$ —	$ —	$ 1,200
Corporate Debt	$ 7,524	$ 949	$ —	$ 19,153
Commercial Paper	$ —	$ —	$ 19,106	$ —
Money Market Mutual Funds	$ —	$ —	$ —	$ 188,246
Negotiable Certificates of Deposit	$ —	$ —	$ —	$ 4,652
Municipal/Public Bonds	$ —	$ 63	$ —	$ 1,829
Guaranteed Investment Contracts	$ —	$ —	$ —	$ 120,248
Bond Mutual Funds	$ 1,042	$ 684	$ —	$ 198,218
Securities Lending Cash Collateral Pool	$ —	$ —	$ —	$ 28,856
Utah Public Treasurers' Investment Fund	$ —	$ —	$ —	$ 682,777
Repurchase Agreements – Underlying:				
U.S. Agencies	$ —	$ —	$ —	$ 22,359

***** A1 is Commercial Paper rating

Custodial Credit Risk — Investments

Custodial credit risk for investments is the risk that, in the event of a failure of the counter party, the component units will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The component units do not have a formal policy for custodial credit risk.

The various component units' investments at June 30, 2013, were held by the component unit or in the name of the component unit by the component unit's custodial bank or trustee, except the following which were uninsured, were not registered in the name of the component unit, and were held by (expressed in thousands):

Counterparty	
U.S. Treasuries	$ 233,298
U.S. Agencies	$ 829,649
Corporate Debt	$ 121,898
Equity Securities – Domestic	$ 8,999
Municipal/Public Bonds	$ 15,797
Money Market Mutual Fund	$ 2,932
Negotiable Certificate of Deposit	$ 3,548
Repurchase Agreements	$ 4,771
Counterparty's Trust Department or Agent	
U.S. Treasuries	$ 15,334
Equity Securities – Domestic	$ 70
Corporate Debt	$ 79,621

Concentration of Credit Risk — Investments

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Except for Utah Housing Corporation and Public Employees Health Program, the component units' policy for reducing this risk of loss is the same as described above for the primary government for non-endowment funds. For college and university endowments funds, their policy for reducing this risk of loss is to follow the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and State Board of Regents Rule 541, Management and Reporting of Institutional Investments (Rule 541) or separate endowment investment policies which have been approved by their Board of Trustees and by the Board of Regents.

The Utah Housing Corporation places no limit on the amount the Corporation may invest in any one issuer. More than five percent of the Corporation's investments are in the Federal National Mortgage Association, CDC Guaranteed Investment Contracts, and Trinity investments. These investments are 5.6 percent, 9.2 percent, and 9.9 percent, respectively, of the Corporation's total investments.

Public Employees Health Program's policy limits the amount that may be invested in any one issuer to between 2 and 5 percent, depending on the credit rating of the security. There is no limit to investments in U.S. Government Securities. All investments are within policy limits.

The University of Utah held more than 5 percent in the Federal Home Loan Bank and the Federal Farm Credit Bank. These investments represent 24.3 percent and 6.6 percent, respectively, of the University's total investments.

Utah State University held more than 5 percent of total investments in securities of the Federal Farm Credit Bank, Federal Home Loan Bank, and the Federal Home Loan Mortgage Corporation. These investments represent 8.81 percent, 7.52 percent and 7.61 percent, respectively, of the University's total investments.

Foreign Currency Risk — Investments

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The component units do not have a formal policy to limit foreign currency risk.

C. Securities Lending

The Utah Retirement Systems (URS) (pension and other employee benefit trust funds) and the Public Employees Health Program (PEHP) (major component unit) participate in security lending programs as authorized by their Boards. Under these programs, securities are transferred to an independent broker or dealer in exchange for collateral in the form of cash, government securities, and irrevocable bank letters of credit equal to approximately 102 percent of the market value of the domestic securities on loan (respectively for URS and PEHP) and 105 percent of the market value of the international securities on loan (URS only), with a simultaneous agreement to return the collateral for the same securities in the future. For both state entities, their custodial bank is the agent for its securities lending program. Securities under loan are maintained in the financial records, and corresponding liabilities are recorded for market value of the collateral received.

At yearend, neither the Utah Retirement Systems nor Public Employees Health Program had any credit risk exposure to borrowers because the collateral exceeded the amount borrowed. The securities on loan at yearend for the entities were $1.550 billion and $28.277 million, respectively, and the collateral received for those securities on loan was $1.590 billion and $28.856 million, respectively. Under the terms of the lending agreement, both state entities are indemnified against loss should the lending agent be unable to recover borrowed securities and distributions due to borrower insolvency or failure of the lending agent to properly evaluate the creditworthiness of the borrower. In addition, they are indemnified against loss should the lending agent fail to demand adequate and appropriate collateral on a timely basis. All securities loaned can be terminated on demand by either the state entity or the borrower. Cash collateral is invested in the lending agent's short-term investment pool.

The short-term investment pool guidelines specify that a minimum of 20 percent of the invested cash collateral is to be available each business day and that the dollar weighted average maturity of holdings should not exceed 60 days. The relationship between the maturities of the short-term investment pool and each of the state entities' loans is affected by the maturities of the securities loans made by other entities that use the agent's pool, which the state entities cannot determine. Since the securities lending collateral is in a pool maintained by the custodial bank, the state entities do not have the ability to pledge or sell the securities, and it is not necessary to report the total income and expenses of securities lending.

D. Derivative Financial Instruments

Utah Retirement Systems

The Utah Retirement Systems (URS) (pension and other employee benefit trust funds) invests in derivative financial investments as authorized by Board policy. Derivatives are financial arrangements between two parties whose payments are based on, or "derived" from, the performance of some agreed-upon benchmark. All derivatives are considered investments. The fair value of all derivative financial instruments is reported in the Statements of Fiduciary Net Position–Pension and Other Employee Benefit Trust Funds. By policy, portfolio liabilities associated with investments shall be backed by cash equivalents or deliverable securities. URS does not have a policy regarding master netting arrangements. At December 31, 2012, URS had five types of derivative financial instruments: futures, currency forwards, options, swaps, and Synthetic Guaranteed Investment Contracts.

Futures represent commitments to purchase (asset) or sell (liability) securities at a future date and at a specified price. Futures contracts are traded on organized exchanges (exchange traded) thereby minimizing URS' credit risk. The net change in the futures contracts value is settled daily in cash with the exchanges. Net gains or losses resulting from the daily settlements are included with trading account securities gains or losses in the Statement of Changes in Fiduciary Net Position. At December 31, 2012 and December 31, 2011, URS' investments had the following notional futures balances as shown in the table below.

Utah Retirement Systems
(pension and other employee benefit trust funds)
Futures — Notional Value
At December 31
(Expressed in Thousands)

	Defined Benefit Plans		Defined Contribution Plans	
	2012	**2011**	**2012**	**2011**
Cash and Cash Equivalent Derivative Futures:				
Short	$ —	$ (66,714)	$ —	$ (3,639)
Equity Derivative Futures:				
Long	664,243	945,839	24,189	22,360
Short	—	—	—	—
Fixed Income Derivative Futures:				
Long	299,658	192,591	23,449	6,330
Short	(511,298)	(762,049)	(22,234)	(18,436)
Total Futures	$ 452,603	$ 309,667	$ 25,404	$ 6,615

Options represent or give buyers the right, but not the obligation, to buy (call) or sell (put) an asset at a preset price over a specified period. The option's price is usually a small percentage of the underlying asset's value. As a writer of financial options, URS receives a premium at the outset of the agreement and bears the risk of an unfavorable change in the price of the financial instrument underlying the option. As a purchaser of financial options, URS pays a premium at the outset of the agreement and the counterparty bears the risk of an unfavorable change in the price of the financial instrument underlying the option. At December 31, 2012 and December 31, 2011, URS investments had the following options balances (expressed in thousands):

Options	**2012 Notional Market Value**	**2011 Notional Market Value**
Cash & Equivalents:		
Call	$ 95	$ —
Put	50	—
Fixed Income:		
Call	13	35
Put	317	—
Swaptions:		
Call	(2,475)	(13,524)
Put	198	(443)
Total Options	$ (1,802)	$ (13,932)

URS has entered into various inflation, credit default, and interest rate swap agreements in an attempt to manage their exposure to inflation, credit and interest rate risk. Inflation risk represents the exposure to fair value losses arising from inflation, while interest rate risk represents the exposure to fair value losses arising from the future changes in prevailing market interest rates. Credit risk is an investor's risk of loss arising from a borrower who does not make payments as promised. Swaps represent an agreement between two or more parties to exchange sequences of cash flows over a period in the future. In the most common type of interest rate swap arrangement, one party agrees to pay fixed interest payments on designated dates to a counter party who, in turn, agrees to make return interest payments that float with some reference rate. In an inflation swap one party pays a fixed rate on a notional principal amount to a counterparty, who in turn agrees to make return payments associated with a floating rate linked to an inflation index. Most of the interest rate swaps were purchased in connection with variable real estate debt. Those interest rate swaps allowed URS to effectively convert most of their long-term variable interest rate credit facility loans into fixed interest rate loans, thereby mitigating some of their interest rate risk. All swap instruments contain collateral clauses. As of December 31, 2012, Credit Suisse International swaps had collateral held for $2.295 million. Gains and losses on swaps are determined based on market values and are recorded in the Statement of Changes in Fiduciary Net Position. Swap market values are determined by an independent third party. At December 31, 2012 and December 31, 2011, URS investments had the swap market value balances as shown in the table below.

Currency forwards represent forward foreign exchange contracts that are entered into in order to hedge the exposure to changes in foreign currency exchange rates on the foreign currency dominated portfolio holdings. A forward foreign exchange contract is a commitment to purchase or sell a foreign currency at a future date at a negotiated forward rate. The gain or loss arising from the difference between the original contracts and the closing of such contracts is included in net realized gains or losses on foreign currency related transactions. At December 31, 2012 and December 31, 2011, URS investments included the following currency forwards balances (expressed in thousands):

Currency Forwards	**2012 Fair Value**	**2011 Fair Value**
Forwards Subject to Foreign Currency Risk (pending foreign exchange sales):		
Defined Benefit Plans	$ (5,054)	$ 9,119
Defined Contribution Plans	(442)	493
Total Currency Forwards	$ (5,496)	$ 9,612

Utah Retirement Systems
(pension and other employee benefit trust funds)
Interest Rate Swaps
At December 31, 2012
(Expressed in Thousands)

	Outstanding Notional Amount*	URS Rate	Counterparty Rate	Maturity Date	2012 Fair Value	2011 Fair Value
Real Estate Portfolio Interest Rate Swaps:****	$ 788,443	4.308 % – 5.464 %	One Month LIBOR**	2013–2021	$ (89,265)	$ (107,338)
Fixed Income Portfolio	$ (93,361)	0.376 % – 5.080 %	Three Month LIBOR**	2014–2042	$ (245)	$ (166)
Interest Rate Swaps:	179,800	Three Month LIBOR**	0.739 % – 2.270 %	2013–2022	(60)	589
	2,100	1.907 % (EUR)	Six Month EURIBOR***	2016	140	24
	1,300	NA	5.00 %	2017	(4)	—
Total Fixed Income Interest Rate Swaps	$ 89,839				$ (169)	$ 447

* Base used to calculate interest
** London Interbank Offered Rate (LIBOR)
*** Euro Interbank Offered Rate (EURIBOR)
**** The $788.443 million includes $215.841 million of Real Estate Portfolio Swaps that expired in 2012

Derivatives which are exchange traded are not subject to credit risk. No derivatives held are subject to custodial credit risk. The maximum loss that would be recognized at December 31, 2012, if all counterparties fail to perform as contracted is $1.464 billion. The maximum exposure is reduced by $1.561 billion of liabilities, resulting in no net exposure to credit risk. Credit ratings for the wrap contracts associated with the Synthetic Guaranteed Investment Contracts are noted below. At December 31, 2012, the counterparties' credit ratings for currency forwards, swaptions, and swaps are subject to credit risk as shown in the table below.

Utah Retirement Systems
(pension and other employee benefit trust funds)
Credit Risk Derivatives at Fair Value
At December 31, 2012
(Expressed in Thousands)

Quality Rating	Forwards	Options	Swaps	Total
AA–	$ (282)	$ —	$ (4,779)	$ (5,061)
A+	940	423	(289)	1,074
A	(6,093)	(2,701)	119	(8,675)
A–	(60)	—	(84,486)	(84,546)
N/A	—	328	—	328
Total	$ (5,495)	$ (1,950)	$ (89,435)	$ (96,880)

In the URS Defined Contribution Plans, members are able to participate in Synthetic Guaranteed Investment Contracts (SGICs). The SGICs are fully benefit responsive which means that URS is prohibited from assigning and selling the contract or its proceeds to a third party without the consent of the issuer. Prospective interest crediting rate adjustments are provided to plan participants. The SGICs provide assurance that the probability of future rate adjustments resulting in an interest crediting rate less than zero is remote. The underlying investments are high credit quality averaging A+ and therefore credit loss is remote. The terms of the SGICs require all plan participants to initiate transactions within the fund at contract value. The contract value is the fair value (cost plus accrued interest). The fair value of these contracts at December 31, 2012 is $856.23 million and the market value is $895.513 million. Credit ratings for the wrap contracts associated with the Synthetic Guaranteed Investment Contracts are also noted below.

Utah Retirement Systems
(pension and other employee benefit trust funds)
Synthetic Guaranteed Investment Contracts Underlying Investments
At December 31, 2012
(Expressed in Thousands)

	1–5 Year Government Credit		Intermediate Government Credit		Total Underlying Investments	
	Fair Value	Market Value	Fair Value	Market Value	Fair Value	Market Value
Asset Backed Securities	$ 40,687	$ 41,024	$ 17,760	$ 18,329	$ 58,447	$ 59,353
Agencies	20,525	20,694	16,890	17,432	37,415	38,126
Corporates	135,245	136,363	114,712	118,393	249,957	254,756
Mortgage Backed Securities	123,664	124,687	68,791	70,998	192,455	195,685
Treasuries	80,599	81,265	92,930	95,911	173,529	177,176
Commercial Mortgage Back Securities	94,506	95,287	47,915	49,452	142,421	144,739
Cash	21,765	21,945	3,443	3,554	25,208	25,499
Total	$ 516,991	$ 521,265	$ 362,441	$ 374,069	$ 879,432	$ 895,334

Utah Retirement Systems
(pension and other employee benefit trust funds)
Wrap Contracts
At December 31, 2012
(Expressed in Thousands)

	Fair Value	Market Value	Rate	Duration	Quality Ratings
Issued Wrap Contracts	$ 856,230	$ 895,513	1.83 % – 3.20 %	2.35 – 3.60	A+ – AA-
Repurchase	35,932	35,932	0.12 %		
Total	$ 892,162	$ 931,445			

Student Assistance Program

The following are disclosures for derivative financial instruments held by Student Assistance Program (major enterprise fund).

Objective — In order to protect against the potential of rising interest rates on its variable rate debt, the Student Assistance Program Board entered into an interest rate exchange (swap) agreement relating to the Board's student loan revenue bonds, Series 2010 EE ("Series 2010 Bonds") on December 21, 2010. The purpose of the swap is to create a variable rate cost of funds for the Series 2010 Bonds that will be lower than the variable rate cost achievable in the cash bond market. The Board accounts for the swap agreement as a fair value hedging derivative instrument and recognizes changes in fair values on the statement of net position as an asset or liability with a related deferred inflow or outflow of resources respectively. The terms of the swap agreement include:

Trade Date:	December 21, 2010
Effective Date	December 30, 2010
Termination Date	November 1, 2030
Initial Notional Amount	$364,150,000
Board Pays Floating	3 Month LIBOR + 1.64905 %
Counterparty Pays Fixed	Stepped fixed rates ranging from 4.664 % to 5.000 %
Payment Dates	The 1st day of May and November

(Swap agreement information continues on the next page)

Changes in the fair value of the swap agreement and the ending fair value of the swap agreement are summarized below:

Student Assistance Program
Change in Fair Value
For Fiscal Years Ending June 30
(Expressed in Thousands)

Derivative	Fair Value at June 30, 2013	Fair Value at June 30, 2012	Change in Fair Value
Interest Rate Exchange	$ 18,625	$ 39,621	$ (20,996)

Swaps are not normally valued through exchange-type markets with easily accessible quotation systems and procedures. The fair market value was calculated using information obtained from generally recognized sources with respect to quotations, reporting of specific transactions and market conditions and based on accepted industry standards and methodologies.

Credit Risk — The risk of a change in the credit quality or credit rating of the Board and/or its counterparty. The counterparty's current ratings are "Aa3", "AA–" and "AA/AA–" by Moody's Investors Service, Standard & Poor's and Fitch Ratings, respectively.

The Board is exposed to credit risk on hedging derivative instruments that are in asset positions. To minimize its exposure to loss related to credit risk, it is the Board's policy to require counterparty collateral posting provisions in its non-exchange-traded hedging derivative instruments. These terms require full collateralization of the fair value of hedging derivative instruments in asset positions (net of the effect of applicable netting arrangements) should the counterparties' short-term and long-term credit ratings fall below "A-1" and "A," respectively, as issued by Standard & Poor's or below "Prime-1" and "A2," respectively, as issued by Moody's Investors Service. Collateral posted is to be in the form of cash, U.S. Treasury securities or agency securities held by a third-party custodian. The Board has never failed to access collateral when required.

It is the Board's policy to enter into netting arrangements whenever it has entered into more than one derivative instrument transaction with a counterparty. Under the terms of these arrangements, should one party become insolvent or otherwise default on its obligations, close-out netting provisions permit the non-defaulting party to accelerate and terminate all outstanding transactions and net the transactions' fair values so that a single sum will be owed by, or owed to, the non-defaulting party.

Interest Rate Risk — The risk that the debt service costs associated with variable rate debt increases and negatively affects coverage ratios and cash flow margins. The Board is exposed to interest rate risk; as the 3 month LIBOR rate increases, the net payment on the swap agreement increases.

Basis Risk — The risk that arises when variable rates or prices of a swap agreement and a hedged item are based on different interest rate indexes. Because the swap agreement requires the Board to pay a variable rate to the counterparty and is receiving a fixed rate payment in return, basis risk is not applicable.

Termination Risk — The risk that the swap must be terminated prior to its stated final cash flow date. Purposes for termination include the deterioration of the Board's own credit, and the inability of the Board to obtain a replacement transaction with substantially similar terms. In such a circumstance, the Board would owe, or be owed, a termination payment. No termination events related to the swap agreement have occurred as of June 30, 2013.

Rollover Risk — The risk that the maturity of the swap contract is not coterminous with the maturity of the related bonds. The swap agreement and the underlying bonds have a final maturity date of November 1, 2030.

Utah Housing Corporation

The following are disclosures for derivative financial instruments held by Utah Housing Corporation (major component unit).

Objective — In order to protect against the potential of rising interest rates on its variable rate debt, the Corporation has entered into 70 separate pay-fixed, receive-variable interest rate swaps as of June 30, 2013. Based on the assumption that the payments on the variable rate debt will be substantially offset by the receipts on the interest rate swaps, the net cost associated with the synthetic fixed rate structure over the life of the bonds will be less than what the Corporation would have paid had it issued fixed rate debt. The Corporation's swaps are all similar in nature and summary information is included in this report. More detailed information about each swap is included in the Corporation's separately issued financial statements.

Terms, Fair Values, and Credit Risk — The terms, including the fair values of the outstanding swaps as of June 30, 2013, are summarized below. The notional amounts of the swaps matched the principal amounts of the associated debt at the time of issuance. Except as discussed under rollover risk, the Corporation's swap agreements contain scheduled reductions to outstanding notional amounts that are expected to approximately follow scheduled or anticipated reductions in the associated bonds payable.

Utah Housing Corporation
Interest Rate Swap Agreements
At June 30, 2013
(Expressed in Thousands)

Outstanding Notional Amount	Effective Dates	Fixed Rate Paid by the Corporation	Variable Rate Received from Counterparty	Fair Values	Swap Termination Dates
$ 314,955	2008	3.939 % to 5.610 %	SIFMA* plus 0.27 %	$ (37,564)	2022 – 2029
12,250	2008	5.060 % to 7.470 %	LIBOR** plus 0.15 %	(1,324)	2016 – 2020
17,070	2008	5.301 % to 5.545 %	LIBOR** plus 0.01 %	(1,337)	2038
228,370	2012	3.484 % to 4.594 %	LIBOR**	(28,177)	2021 – 2030
66,050	2013	4.006 % to 4.347 %	LIBOR**	(8,331)	2026 – 2032
$ 638,695				$ (76,733)	

* Securities Industry and Financial Markets Association
** London Interbank Offered Rate

Fair Values — The fair values of swaps are a function of market interest rates and the remaining term on the swap contracts. The fair values of the swap contracts were estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swaps. The Corporation has recorded the fair market value of its derivative investments on the financial statements and has evaluated and measured their effectiveness. All of the Corporation's derivative instruments were deemed to be effective, and the Corporation has deferred the changes in fair value for these derivatives and has reported them as deferred outflow and deferred inflow of resources. The derivative instrument swap liability in the amount of $76.733 million as of June 30, 2013, compared to $110.7 million in the prior year, resulting in an overall change in fair value of $33.967 million.

Credit Risk —The Corporation's swap contracts do not require it to post collateral at any time. The Corporation believes that the high credit rating of the counter parties will mitigate most credit risk associated with the derivatives' fair value in the event that the derivative instruments have a positive fair value

Basis Risk — The Corporation's tax-exempt variable-rate bond coupon payments have historically been substantially the same as the SIFMA rate. Its taxable variable-rate bond coupon payments have historically been substantially the same as the LIBOR rate. At June 30, 2013, the weighted average interest rate on Corporation's variable-rate hedged debt is .55 percent, while the SIFMA swap index is .06 percent and the one month LIBOR is .193 percent. As the interest rate swaps pay a variable rate based on the SIFMA rate (tax-exempt debt), or the LIBOR rate (taxable debt), the Corporation therefore has limited exposure to basis risk except as disclosed under the Cross-over Risk.

Cross-over Risk — Thirty-one of the Corporation's SIFMA based swaps are exposed to additional basis risk if the LIBOR rate is 3.5 percent or greater and in some cases 4.0 percent or greater. When the LIBOR rate is greater than 3.5 percent or 4.0 percent, the provider will pay the Corporation 68 percent of the LIBOR rate, rather than the SIFMA rate. Historically, on average, 68 percent of the LIBOR rate has been substantially the same as the Corporation's tax-exempt variable-rate bond coupon payments. However, this relationship has been subject to more basis risk than the relationship between SIFMA and the Corporations tax-exempt variable-rate bond payments.

Termination Risk — The Corporation or the counterparty may terminate any of the swaps if the other party fails to perform under the terms of the contract. In addition, the Corporation has the option to terminate at any time at market rates (i.e., fair value adjusted for the counterparty's transaction costs).

Rollover Risk — The Corporation is exposed to rollover risk on swaps that mature or may be terminated prior to the maturity of the associated debt. When these swaps terminate, or in the case of the termination option, the Corporation will not realize the synthetic rate offered by the swaps on the underlying debt issues. As of June 30, 2013, the Corporation's swap termination dates ranged from 0 to 16 years prior to the maturity dates of the associated debt.

Utah Housing Corporation
Forward Sales Contract Derivatives and
Credit Risk at Fair Value
At June 30, 2013
(Expressed in Thousands)

	Par	Exposure Percentage	Original Premium	Yearend Premium	Fair Value	Counterparty Rating
	$ 17,500	17	$ 18,336	$ 17,688	$ 649	A/A1
	27,000	26	28,201	27,200	1,001	A/A2
	14,000	14	14,601	14,321	280	A+/Aa3
	29,500	29	31,077	29,924	1,153	AA-/Aa3
	14,500	14	15,127	14,959	167	BBB/Baa3
Total	$102,500	100	$107,342	$ 104,092	$ 3,250	

Forward Sales Contracts — Forward sales securities commitments and private sales commitments are utilized to hedge changes in fair value of mortgage loan inventory and commitments to originate mortgage loans. At June 30, 2013, the Corporation had executed 32 forward sales transactions with a $102.5 million notional amount and a $3.25 million fair market value. The forward sales are scheduled to settle by September 19, 2013.

Credit Risk — Several of the Corporation's forward agreements require it to post collateral in the event that the fair market value of the contract has decreased. Due to the positive balance of each position at June 30, 2013, no collateral was posted. The Corporation believes that the high credit rating of the counter parties will mitigate most credit risk associated with the forward derivatives' positive fair value at June 30, 2013.

NOTE 4. INVESTMENT POOL

The Utah State Treasurer's Office operates the Utah Public Treasurers' Investment Fund (PTIF) investment fund. The PTIF is available for investment of funds administered by any Utah public treasurer. Participation is not required and no minimum balance or minimum/maximum transaction is required. State agencies and funds that are authorized to earn interest also invest in the PTIF as an internal investment pool. No separate report as an external investment pool has been issued for the PTIF.

The PTIF is not registered with the SEC as an investment company and is not rated. The PTIF is authorized and regulated by the Utah Money Management Act, (*Utah Code* Title 51, Chapter 7*)*. The Act establishes the State Money Management Council, which oversees the activities of the State Treasurer and the PTIF. The Act lists the investments that are authorized which are high-grade securities and, therefore, minimizes credit risk except in the most unusual and unforeseen circumstances.

Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments.

The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses, net of administration fees, of the PTIF are allocated to participants on the ratio of the participant's share to the total funds in the PTIF based on the participant's average daily balance. The PTIF may maintain an interest reserve to stabilize the monthly apportionment of interest. Any balance maintained in the interest reserve is reflected in the fair value valuation factor discussed below. The PTIF allocates income and issues statements on a monthly basis. Twice a year, at June 30 and December 31, which are the accounting periods for public entities, the investments are valued at fair value and participants are informed of the fair value valuation factor that enables them to adjust their statement balances to fair value.

The PTIF condensed financial statements, inclusive of external and internal participants along with the portfolio statistics for the fiscal year ended June 30, 2013, are as follows:

(Table on next page.)

Utah Public Treasurers' Investment Fund
Statement of Net Position
June 30, 2013
(*Expressed in Thousands*)

Assets	
Cash and Cash Equivalents	$ 770,372
Investments	9,334,341
Total Assets	10,104,713
Liabilities	
Accounts Payable	10,002
Net Position	
External Participant Account Balances	6,399,402
Internal Participant Account Balances:	
Primary Government	3,017,412
Component Units	672,367
Unrealized Gains/Losses	5,530
Total Net Position	$ 10,094,711
Participant Account Balance Net Position Valuation Factor	1.00502171

Utah Public Treasurers' Investment Fund
Statement of Changes in Net Position
For the Fiscal Year Ended June 30, 2013
(*Expressed in Thousands*)

Additions	
Pool Participant Deposits	$ 11,425,622
Investment Income:	
Investment Earnings	62,186
Fair Value Increases (Decreases)	(2,242)
Total Investment Income	59,944
Less Administrative Expenses	(451)
Net Investment Income	59,493
Total Additions	11,485,115
Deductions	
Pool Participant Withdrawals	11,052,792
Earnings Distributions	61,735
Total Deductions	11,114,527
Net Increase/(Decrease) From Operations	370,588
Net Position	
Beginning of Year	9,724,123
Net Position – End of Year	$ 10,094,711

Utah Public Treasurers' Investment Fund
Portfolio Statistics
At June 30, 2013

	Range of Yields	Weighted Average Maturity
Money Market Mutual Funds	0.07 % – 0.35 %	1.00 days
Certificates of Deposit – Negotiable	0.36 % – 0.57 %	31.29 days
Certificates of Deposit – Nonnegotiable	0.25 % – 0.45 %	73.52 days
Corporate Bonds and Notes	0.18 % – 4.53 %	86.44 days
Commercial Paper	0.15 % – 0.55 %	45.51 days

	Weighted Average Yield	Average Adjusted Maturity
Total Investment Fund	0.50 %	73.71 days

Deposits and Investments

The following disclosure of deposits and investments is for the PTIF, which includes external and internal participants. These assets are also included in the Note 3 disclosures of deposits and investments for the primary government. To avoid duplication, some of the detailed information in Note 3 has not been repeated in this note.

Custodial Credit Risk — Deposits

The custodial credit risk for deposits is the risk that in the event of a bank failure, the PTIF's deposits may not be recovered. The PTIF follows the Money Management Act by making deposits only in qualified financial institutions in accordance with the Act.

The deposits in the bank in excess of the insured amount are uninsured and uncollateralized. Deposits are not collateralized nor are they required to be by state statute. The deposits for the PTIF at June 30, 2013, were $22.503 million. Of those, $21.253 million were exposed to custodial credit risk as uninsured and uncollateralized.

Investments

The PTIF follows the Money Management Act by investing only in securities authorized in the Act. See Note 3 for information on authorized investments.

The PTIF investments at June 30, 2013, are presented below.

Utah Public Treasurers' Investment Fund
At June 30, 2013
(Expressed in Thousands)

		Investment Maturities (in years)	
Investment Type	**Fair Value**	**Less Than 1**	**1–5**
Debt Securities			
Corporate Bonds and Notes	$ 7,519,632	$ 7,484,304	$ 35,328
Negotiable Certificates of Deposit	206,637	206,637	—
Money Market Mutual Funds	475,000	475,000	—
Commercial Paper	1,835,873	1,835,873	—
	$ 10,037,142	$ 10,001,814	$ 35,328

The majority of the PTIF's corporate debt securities are variable-rate securities, most of which reset every three months to the market interest rate. Because these securities frequently reprice to prevailing market rates, interest rate risk is substantially reduced at each periodic reset date. In the table above, variable-rate securities are presented according to the length of time until the next reset date rather than the stated maturity.

Interest Rate Risk — Investments

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The PTIF's policy for managing interest rate risk is to comply with the State's Money Management Act. See Note 3 for information on requirements of the Act related to interest rate risk.

Credit Risk of Debt Securities

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The PTIF follows the Money Management Act as its policy for reducing exposure to investment credit risk. The PTIF's rated debt investments as of June 30, 2013, were rated by Standard and Poor's and/or an equivalent nationally recognized statistical rating organization and the ratings are presented below using the Standard and Poor's rating scale.

Utah Public Treasurers' Investment Fund
Rated Debt Investments
At June 30, 2013
(Expressed in Thousands)

Debt Investments	Fair Value	Quality Ratings AA	A	BBB	BB
Corporate Bonds and Notes	$ 7,519,632	$ 853,675	$ 5,334,184	$ 1,289,821	$ 41,952
Negotiable Certificates of Deposit	$ 206,637	$ 176,626	$ 30,011	$ —	$ —
Money Market Mutual Funds.....	$ 475,000	$ —	$ —	$ —	$ —
Commercial Paper.....	$ 1,835,873	$ —	$ —	$ —	$ —

Continues Below

Debt Investments	Quality Ratings A1 *	A2 *	Not Rated
Corporate Bonds and Notes	$ —	$ —	$ —
Negotiable Certificates of Deposit	$ —	$ —	$ —
Money Market Mutual Funds.....	$ —	$ —	$ 475,000
Commercial Paper.....	$ 1,660,953	$ 174,920	$ —

***** A1 and A2 are Commercial Paper ratings

Concentration of Credit Risk — Investments

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The PTIF's policy for reducing this risk of loss is to comply with the Rules of the State Money Management Council. Rule 17 of the State Money Management Council limits investments in a single issuer of commercial paper and corporate obligations to 5 percent of the total dollar amount held in the portfolio. The State Money Management Council limitations do not apply to securities issued by the U.S. government and its agencies. The PTIF had no debt securities investments at June 30, 2013, with more than 5 percent of the total investments in a single issuer.

(Notes continue on next page.)

NOTE 5. RECEIVABLES

Receivables as of June 30, 2013, consisted of the following (in thousands):

	Accounts Receivable					Notes/
	Federal	Customer	Other	Interest	Taxes	Mortgages
Governmental Activities:						
General Fund	$ 211,960	$ 248,258	$ 29,559	$ 46	$ 240,674	$ 2,256
Education Fund	141,103	293	1,357	—	867,276	10,805
Transportation Fund	54,562	10,232	921	—	44,512	161
Transportation Investment Fund	—	—	—	—	30,955	—
Trust Lands	—	—	4,375	649	—	10,519
Nonmajor Funds	4,094	12,732	—	8	—	—
Internal Service Funds	—	3,540	1,821	—	—	2,700
Adjustments:						
Fiduciary Funds	—	—	468	—	—	—
Other	—	4,000	—	—	—	—
Total Receivables	411,719	279,055	38,501	703	1,183,417	26,441
Less Allowance for Uncollectibles:						
General Fund	—	(65,402)	—	—	(15,576)	(1,326)
Education Fund	—	—	—	—	(184,960)	—
Transportation Fund	—	—	(247)	—	(1,002)	—
Transportation Investment Fund	—	—	—	—	(2,423)	—
Receivables, net	$ 411,719	$ 213,653	$ 38,254	$ 703	$ 979,456	$ 25,115
Current Receivables	$ 411,719	$ 175,836	$ 38,099	$ 703	$ 856,636	$ 3,546
Noncurrent Receivables	—	37,817	155	—	122,820	21,569
Total Receivables, net	$ 411,719	$ 213,653	$ 38,254	$ 703	$ 979,456	$ 25,115
Business-type Activities:						
Student Assistance Programs	$ 3,676	$ 1,594	$ 1,644	$ 16,946	$ —	$ 1,405,928
Unemployment Compensation	2,335	178,915	—	—	—	—
Water Loan Programs	378	143	—	10,689	2,629	690,157
Community Impact Loan Fund	—	—	—	4,137	—	448,599
Nonmajor Funds	5,719	12,138	—	2,532	—	146,409
Total Receivables	12,108	192,790	1,644	34,304	2,629	2,691,093
Less Allowance for Uncollectibles:						
Student Assistance Programs	—	—	—	—	—	(3,382)
Unemployment Compensation	—	(50,999)	—	—	—	—
Receivables, net	$ 12,108	$ 141,791	$ 1,644	$ 34,304	$ 2,629	$ 2,687,711

Accounts receivable balances are an aggregation of amounts due from the federal government, customers, and others. Receivables from customers include charges for services to local governments, fees and fines issued by the courts and corrections, employer contributions for unemployment benefits, and receivables as a result of overpayments to individuals receiving state assistance.

Receivables for fiduciary funds listed above represent amounts due from fiduciary funds that were reclassified as external receivables on the government-wide Statement of Net Position. Other adjustments are due to differences in the presentation and the basis of accounting between the fund financial statements and the government-wide Statement of Net Position.

Aggregated receivables for component units at June 30, 2013, were $1.488 billion for major component units and $80.476 million for nonmajor component units, net of an allowance for doubtful accounts of $203.744 million and $13.224 million, respectively.

NOTE 6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities as of June 30, 2013, consisted of the following (in thousands):

	Salaries/ Benefits	Service Providers	Vendors/ Other	Government	Tax Refunds/ Credits	Interest	Total
Governmental Activities:							
General Fund	$ 68,693	$ 272,927	$ 43,121	$ 82,970	$ 10,568	$ —	$ 478,279
Education Fund	3,416	2,073	23,993	119,442	40,780	—	189,704
Transportation Fund	7,423	5	82,782	42,199	1,501	—	133,910
Nonmajor Funds	277	—	62,602	47	—	72,901	135,827
Internal Service Funds	6,896	42	16,546	—	—	2	23,486
Adjustments:							
Fiduciary Funds	—	—	—	5,333	—	—	5,333
Other	—	—	—	—	—	1,256	1,256
Total Governmental Activities	$ 86,705	$ 275,047	$ 229,044	$ 249,991	$ 52,849	$ 74,159	$ 967,795
Business-type Activities:							
Student Assistance Programs	$ 1,486	$ —	$ 4,846	$ 7,648	$ —	$ 3,470	$ 17,450
Unemployment Compensation	—	3,463	—	219	—	—	3,682
Water Loan Programs	—	—	700	—	—	—	700
Community Impact Loan Fund	2	—	—	—	—	—	2
Nonmajor Funds	2,448	—	8,381	—	—	508	11,337
Total Business-type Activities	$ 3,936	$ 3,463	$ 13,927	$ 7,867	$ 0	$ 3,978	$ 33,171

Accounts payable and accrued liability balances are an aggregation of amounts due to: (***1***) state employees for salaries/benefits; (***2***) service providers for childcare, job services and health services; (***3***) vendors and miscellaneous suppliers; (***4***) local and federal governments for services; (***5***) individuals and others as a result of tax overpayments or credits issued; and (***6***) interest due on bonds and other obligations.

Adjustments for fiduciary funds listed above represent amounts due to fiduciary funds that were reclassified as external payables on the government-wide Statement of Net Position. Other adjustments are due to differences in the presentation and the basis of accounting between the fund financial statements and the government-wide Statement of Net Position.

(Notes continue on next page.)

NOTE 7. INTERFUND BALANCES AND LOANS

Interfund Balances

Interfund balances at June 30, 2013, consisted of the following (in thousands):

Due to General Fund from:	
Education Fund	$ 516
Transportation Fund	1,509
Trust Lands Fund	2
Nonmajor Governmental Funds	1,302
Unemployment Compensation Fund	10,192
Water Loan Programs	61
Community Impact Loan Fund	1
Nonmajor Enterprise Funds	16,119
Internal Service Funds	1,115
Fiduciary Funds	92
Total due to General Fund from other funds	$ 30,909
Due to Education Fund from:	
General Fund	$ 176
Unemployment Compensation Fund	536
Internal Service Funds	11
Total due to Education Fund from other funds	$ 723
Due to Transportation Fund from:	
General Fund	$ 308
Nonmajor Governmental Funds	4
Nonmajor Enterprise Funds	3
Internal Service Funds	37
Total due to Transportation Fund from other funds	$ 352
Due to Trust Lands Fund from	
General Fund	$ 5
Nonmajor Enterprise Funds	5,263
Total due to Trust Lands Fund from other funds	$ 5,268
Due to Nonmajor Governmental Funds from:	
General Fund	$ 1,295
Transportation Fund	59
Nonmajor Enterprise Funds	2
Internal Service Funds	33
Fiduciary Funds	365
Total due to Nonmajor Governmental Funds from other funds	$ 1,754
Due to Water Loan Programs from:	
General Fund	$ 183
Trust Lands Fund	13
Nonmajor Governmental Funds	11,723
Total due to Water Loan Programs from other funds	$ 11,919
Due to Nonmajor Enterprise Funds from:	
General Fund	$ 278
Transportation Fund	382
Nonmajor Governmental Funds	9,402
Water Loan Programs	19
Internal Service Funds	25
Total due to Nonmajor Enterprise Funds from other funds	$ 10,106
Due to Internal Service Funds from:	
General Fund	$ 21,353
Education Fund	152
Transportation Fund	2,988
Nonmajor Governmental Funds	405
Nonmajor Enterprise Funds	471
Internal Service Funds	31
Fiduciary Funds	11
Total due to Internal Service Funds from other funds	$ 25,411
Due to Fiduciary Funds from:	
General Fund	$ 2,412
Education Fund	115
Transportation Fund	304
Trust Lands Fund	1,191
Nonmajor Governmental Funds	1,311
Total due to Fiduciary Funds from other funds	$ 5,333
Total Due to/Due froms	$ 91,775

These balances resulted from the time lags between the dates that: (***1***) interfund goods and services are provided or reimbursable expenditures occur; (***2***) transactions are recorded in the accounting system; and (***3***) payments between funds are made.

Interfund Loans

At June 30, 2013, interfund loans receivable/payable balances consist of $59.235 million revolving loans payable to the General Fund from Internal Service Funds. The balance payable to the General Fund from Internal Service Funds of $59.235 million includes $44.36 million that is not expected to be repaid within one year and is classified as nonspendable fund balance.

(Notes continue on next page.)

NOTE 8. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2013, was as follows (in thousands):

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital Assets Not Depreciated/Amortized:				
Land and Related Assets	$ 1,625,096	$ 77,873	$ (6,596)	$ 1,696,373
Infrastructure	11,196,018	1,831,388	(13,069)	13,014,337
Construction-In-Progress	1,961,725	591,335	(1,985,798)	567,262
Total Capital Assets Not Depreciated/Amortized	14,782,839	2,500,596	(2,005,463)	15,277,972
Capital Assets Depreciated/Amortized:				
Buildings and Improvements	1,781,485	71,822	(5,888)	1,847,419
Infrastructure	61,612	4,585	—	66,197
Machinery and Equipment	496,950	42,256	(22,164)	517,042
Intangible Assets–Software	183,130	24,436	(673)	206,893
Total Capital Assets Depreciated/Amortized	2,523,177	143,099	(28,725)	2,637,551
Less Accumulated Depreciation/Amortization for:				
Buildings and Improvements	(633,967)	(51,925)	5,466	(680,426)
Infrastructure	(22,290)	(2,335)	—	(24,625)
Machinery and Equipment	(337,594)	(29,661)	18,682	(348,573)
Intangible Assets–Software	(87,481)	(20,602)	656	(107,427)
Total Accumulated Depreciation/Amortization	(1,081,332)	(104,523)	24,804	(1,161,051)
Total Capital Assets Depreciated/Amortized, Net	1,441,845	38,576	(3,921)	1,476,500
Capital Assets, Net	$16,224,684	$2,539,172	$ (2,009,384)	$16,754,472
Business-type Activities:				
Capital Assets Not Depreciated/Amortized:				
Land and Related Assets	$ 22,755	$ 0	$ (68)	$ 22,687
Capital Assets Depreciated/Amortized:				
Buildings and Improvements	91,487	1,178	(259)	92,406
Infrastructure	304	—	—	304
Machinery and Equipment	15,656	1,369	(246)	16,779
Intangible Assets–Software	1,535	36	—	1,571
Total Capital Assets Depreciated/Amortized	108,982	2,583	(505)	111,060
Less Accumulated Depreciation/Amortization for:				
Buildings and Improvements	(20,043)	(3,164)	157	(23,050)
Infrastructure	(93)	(6)	—	(99)
Machinery and Equipment	(11,895)	(1,027)	246	(12,676)
Intangible Assets–Software	(495)	(203)	—	(698)
Total Accumulated Depreciation/Amortization	(32,526)	(4,400)	403	(36,523)
Total Capital Assets Depreciated/Amortized, Net	76,456	(1,817)	(102)	74,537
Capital Assets, Net	$ 99,211	$ (1,817)	$ (170)	$ 97,224

Construction-in-progress of governmental activities includes amounts for buildings the State is constructing for colleges and universities and other discrete component units that are funded by state appropriations or state bond proceeds. As the buildings are completed, the applicable amounts are deleted from construction-in-progress of governmental activities and "transferred" to the colleges and universities and other discrete component units. For fiscal year 2013, $97.447 million of buildings were completed for colleges and universities. On the government-wide statement of activities, the building "transfers" are reported as higher education expenses of governmental activities and as program revenues of component units.

Depreciation expense of governmental activities was charged to functions as follows (in thousands):

General Government	$ 15,771
Human Services and Juvenile Justice Services	8,035
Corrections	5,642
Public Safety	12,227
Courts	7,417
Health and Environmental Quality	5,016
Higher Education	3
Employment and Family Services	10,747
Natural Resources	9,281
Heritage and Arts	339
Business, Labor, and Agriculture	1,088
Public Education	1,818
Transportation	8,872
Depreciation on capital assets of the State's internal service funds is charged to the various functions based on their usage of services provided	18,267
Total Depreciation Expense	$ 104,523

Discretely Presented Component Units

The following table summarizes net capital assets reported by the discretely presented component units (in thousands):

	Utah Housing Corporation	Public Employees Health Program	University of Utah	Utah State University	Nonmajor Component Units	Total
Capital Assets Not Depreciated/Amortized:						
Land and Related Assets	$ 1,472	$ —	$ 27,205	$ 36,081	$ 119,453	$ 184,211
Art and Special Collections	—	—	62,452	19,943	2,203	84,598
Construction-In-Progress	—	—	157,852	16,987	67,246	242,085
Total Capital Assets Not Depreciated/ Amortized	1,472	0	247,509	73,011	188,902	510,894
Capital Assets Depreciated/Amortized:						
Building and Improvements	5,075	—	2,533,029	792,089	1,533,906	4,864,099
Infrastructure	—	—	303,528	—	65,893	369,421
Machinery and Equipment	1,823	1,682	1,059,827	323,563	207,168	1,594,063
Total Capital Assets Depreciated/Amortized	6,898	1,682	3,896,384	1,115,652	1,806,967	6,827,583
Less Total Accumulated Depreciation/ Amortization	(2,636)	(1,316)	(1,798,887)	(500,486)	(690,436)	(2,993,761)
Total Capital Assets Depreciated/ Amortized, Net	4,262	366	2,097,497	615,166	1,116,531	3,833,822
Discretely Presented Component Units – Capital Assets, Net	$ 5,734	$ 366	$ 2,345,006	$ 688,177	$ 1,305,433	$ 4,344,716

(Notes continue on next page)

NOTE 9. LEASE COMMITMENTS

The State leases office buildings and office and computer equipment. Although the lease terms vary, most leases are subject to annual appropriations from the State Legislature to continue the lease obligations. If an appropriation is reasonably assured, leases are considered noncancellable for financial reporting purposes.

Leases, that in substance are purchases, are reported as capital lease obligations. In the government-wide financial statements and proprietary fund financial statements, assets and liabilities resulting from capital leases are recorded at the inception of the lease at either the lower of fair value or the present value of the future minimum lease payments. The principal portion of lease payments reduces the liability, and the interest portion is expensed.

On the governmental fund financial statements, both the principal and interest portions of capital lease payments are recorded as expenditures of the applicable governmental function.

The primary government's capital lease payments were $2.967 million in principal, which includes a $1.793 million payment for a purchase option, and $1.022 million in interest for fiscal year 2013. As of June 30, 2013, the historical cost of the primary government's assets acquired through capital leases was $38.748 million of which $37.21 million was buildings and land and $1.538 million was equipment and other depreciable assets. As of June 30, 2013, the accumulated depreciation of the primary government's assets acquired through capital leases was $12.403 million of which $11.156 million was buildings and $1.247 million was equipment and other depreciable assets. Of the $134.19 million in component unit present value of future minimum lease payments noted below, $103.62 million relates to capital lease arrangements between the primary government and certain colleges and universities (discrete component units).

Operating leases contain various renewal options, as well as some purchase options. However, due to the nature of the leases, they do not qualify as capital leases and the related assets and liabilities are not recorded. Any escalation clauses, sublease rentals, and contingent rents were considered immaterial to the future minimum lease payments and current rental expenditures. Operating lease payments are recorded as expenditures or expenses when paid or incurred.

Operating lease expenditures for fiscal year 2013 were $24.529 million for the primary government and $26.182 million for component units. For fiscal year 2012, the operating lease expenditures were $29.507 million for the primary government and $26.293 million for component units. Future minimum lease commitments for noncancellable operating leases and capital leases as of June 30, 2013, were as follows:

Future Minimum Lease Commitments
(Expressed in Thousands)

	Operating Leases			Capital Leases		
Fiscal Year	Primary Government	Component Units	Total	Primary Government	Component Units	Total
2014	$ 18,690	$ 28,602	$ 47,292	$ 2,411	$ 11,709	$ 14,120
2015	16,353	24,964	41,317	2,436	13,100	15,536
2016	13,212	19,004	32,216	2,469	11,970	14,439
2017	10,195	13,599	23,794	2,503	11,252	13,755
2018	7,070	10,313	17,383	2,538	10,222	12,760
2019–2023	7,143	39,186	46,329	12,406	46,325	58,731
2024–2028	11	17,627	17,638	5,505	53,038	58,543
2029–2033	11	5,293	5,304	—	25,199	25,199
2034–2038	10	1,365	1,375	—	—	—
2039–2043	10	1,365	1,375	—	—	—
2044–2048	10	1,365	1,375	—	—	—
2049–2053	10	250	260	—	—	—
2054–2058	8	—	8	—	—	—
Total Future Minimum Lease Payments	$ 72,733	$ 162,933	$ 235,666	30,268	182,815	213,083
Less Amounts Representing Interest				(7,055)	(48,625)	(55,680)
Present Value of Future Minimum Lease Payments				$ 23,213	$ 134,190	$ 157,403

NOTE 10. LONG-TERM LIABILITIES

A. **Changes in Long-term Liabilities**

Changes in long-term liabilities for the year ended June 30, 2013, are presented in the following table. As referenced below, certain long-term liabilities are discussed in other Notes to the Financial Statements.

Long-term Liabilities
(Expressed in Thousands)

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities					
General Obligation Bonds	$ 3,487,680	$ 37,350	$ (299,595)	$ 3,225,435	$ 314,855
State Building Ownership Authority Lease Revenue Bonds	210,384	20,855	(32,754)	198,485	14,897
Net Unamortized Premiums	200,979	8,360	(49,457)	159,882	42,400
Deferred Amounts on Refunding	(26,248)	(1,840)	5,542	(22,546)	(5,352)
Capital Leases (Note 9)	24,270	2,824	(3,881)	23,213	1,419
Contracts/Notes Payable	446	9,335	(23)	9,758	3,775
Compensated Absences (Note 1) *	185,701	86,176	(86,166)	185,711	86,121
Claims *	44,700	17,312	(13,822)	48,190	18,405
Pollution Remediation Obligation **	6,640	—	(418)	6,222	589
Net OPEB Obligation (Note 17) *	5,439	1,797	(2,030)	5,206	—
Settlement Obligations ***	34,007	7,650	(16,637)	25,020	19,237
Total Governmental Long-term Liabilities	$ 4,173,998	$ 189,819	$ (499,241)	$ 3,864,576	$ 496,346
Business-type Activities					
Student Assistance Revenue Bonds	$ 930,422	$ 518,700	$ (208,715)	$ 1,240,407	$ 165,151
State Building Ownership Authority Lease Revenue Bonds	88,161	6,455	(10,821)	83,795	4,688
Water Loan Recapitalization Revenue Bonds	61,205	—	(4,660)	56,545	4,745
Net Unamortized Premiums	16,917	1,266	(5,040)	13,143	4,832
Deferred Amounts on Refunding	25,445	(658)	(1,374)	23,413	1,692
Contracts/Notes Payable	552,423	—	(552,423)	—	—
Claims and Uninsured Liabilities	17,866	343,842	(343,014)	18,694	16,776
Arbitrage Liability (Note 1)	10,000	—	(10,000)	—	—
Total Business-type Long-term Liabilities	$ 1,702,439	$ 869,605	$ (1,136,047)	$ 1,435,997	$ 197,884
Component Units					
Revenue Bonds	$ 1,977,746	$ 699,168	$ (756,365)	$ 1,920,549	$ 124,499
Net Unamortized Premiums/(Discounts)	9,784	215	(600)	9,399	386
Deferred Amounts on Refunding	—	(74,744)	2,281	(72,463)	(3,692)
Capital Leases/Contracts Payable (Notes 9 and 10) ****	142,671	6,836	(10,614)	138,893	7,522
Notes Payable ****	209,175	119,148	(34,327)	293,996	43,777
Claims	135,719	515,234	(524,127)	126,826	61,938
Leave/Termination Benefits (Note 1)	114,259	60,088	(50,409)	123,938	63,424
Capital Assets Held for Others	—	14,942	—	14,942	404
Total Component Unit Long-term Liabilities	$ 2,589,354	$ 1,340,887	$ (1,374,161)	$ 2,556,080	$ 298,258

* Compensated absences of governmental activities are liquidated in the General Fund, Education Fund, or Transportation Fund according to the applicable employing state agency. Claims liabilities of governmental activities are liquidated in the Risk Management Internal Service Fund. Net OPEB obligation of governmental activities is liquidated in the General Fund.

** Under the federal Superfund law, the State is responsible for sharing remediation costs at sites where the Environmental Protection Agency expends Superfund trust monies for cleanup. Currently there are seven sites in various stages of cleanup, from initial assessment to cleanup activities. The pollution remediation liabilities associated with these sites were measured using the actual contract cost, where no changes in cost are expected, or the expected cash flow technique. Liability estimates are subject to change due to price increases or reductions, technology, or changes in applicable laws or regulations governing the remediation efforts. The State does not anticipate recovering reimbursements from the parties who caused the pollution.

*** Under the terms of the Final Settlement Agreement, the State agreed to pay $26 million to the Utah Navajo Royalties Holding Fund (private purpose trust fund) plus $7 million in court and legal fees. $13.5 million of this liability was paid during the current fiscal year and $6 million in prior fiscal years. The State has additional claims totaling $11.5 million, some that need approval by the Governor, and approval and funding by the Legislature.

**** In the component units beginning balance column above, *capital leases/contracts payable,* was decreased by $52.865 million with an offsetting increase of $52.865 million to *notes payable* due to a change in financing arrangements for certain equipment.

B. **General Obligation Bonds**

The State issues general obligation bonds to provide funds for acquisition, construction, and renovation of major capital facilities and for highway construction. In addition, general obligation bonds have been issued to refund general obligation bonds, revenue bonds, and capitalized leases. General obligation bonds are secured by the full faith and credit of the State. Debt service requirements are provided by legislative appropriation from the State's general tax revenues. As of June 30, 2013, the State had $42.5 million and $315 million of authorized but unissued general obligation State land acquisition and highway bond authorizations remaining, respectively.

During fiscal year 2013, the State issued $37.35 million Series 2012 A general obligation bonds. The proceeds were used to provide funds for various construction projects and to advance refund portions of the 2004 B general obligation bonds.

General obligation bonds payable information is presented below.

General Obligation Bonds Payable
(Expressed in Thousands)

Bond Issue	Date Issued	Maturity Date	Interest Rate	Original Issue	Balance June 30, 2013
2003 A Highway/Capital Facility Issue	06/26/03	2005–2013	2.00 % to 5.00 %	$ 407,405	$ 55,300
2004 A Refunding Issue	03/02/04	2010–2016	4.00 % to 5.00 %	$ 314,775	223,390
2004 B Highway/Capital Facility Issue	07/01/04	2005–2015	4.75 % to 5.00 %	$ 140,635	7,700
2007 Highway/Capital Facility Issue	07/03/07	2008–2014	4.00 % to 5.00 %	$ 75,000	21,935
2009 A Highway Issue	03/17/09	2010–2019	2.00 % to 5.00 %	$ 394,360	173,685
2009 B Capital Facility Issue	05/19/09	2010–2015	4.00 %	$ 104,450	64,875
2009 C Highway/Capital Facility Issue	09/29/09	2011–2018	2.00 % to 5.00 %	$ 490,410	451,100
2009 D Highway Issue	09/29/09	2019, 2024	4.15 %, 4.55 %	$ 491,760	491,760
2010 A Highway/Capital Facility Issue	09/30/10	2011–2017	1.75 % to 5.00 %	$ 412,990	323,145
2010 B Highway Issue	09/30/10	2019–2025	3.19 % to 3.54 %	$ 621,980	621,980
2010 C Refunding Issue	10/21/10	2016–2019	4.00 % to 5.00 %	$ 172,055	172,055
2011 A Highway/Capital Facility Issue	07/06/11	2012–2026	2.00 % to 5.00 %	$ 609,920	581,160
2012 A Capital Facility/Refunding Issue	10/03/12	2014–2017	4.00 % to 5.00 %	$ 37,350	37,350
Total General Obligation Bonds Outstanding					3,225,435
Plus Unamortized Bond Premium					155,277
Less Deferred Amount on Refunding					(19,811)
Total General Obligation Bonds Payable					$ 3,360,901

(*Notes continue on next page*.)

General Obligation Bond Issues
Debt Service Requirements to Maturity
For Fiscal Years Ended June 30
(Expressed in Thousands)

	Principal						
Fiscal Year	**2003A Highway/ Capital Facility**	**2004A Refunding Bonds**	**2004B Highway/ Capital Facility**	**2007 Highway/ Capital Facility**	**2009A Highway Bonds**	**2009B Capital Facility Bonds**	**2009C Highway/ Capital Bonds**
2014.....	$ 55,300	$ 18,480	$ 3,750	$ 10,720	$ 23,680	$ 20,775	$ 97,950
2015.....	—	73,595	3,950	11,215	23,680	21,600	71,545
2016.....	—	73,910	—	—	25,265	22,500	74,080
2017.....	—	57,405	—	—	25,265	—	69,165
2018.....	—	—	—	—	25,265	—	67,495
2019–2023.....	—	—	—	—	50,530	—	70,865
2024–2028.....	—	—	—	—	—	—	—
Total.....	$ 55,300	$ 223,390	$ 7,700	$ 21,935	$ 173,685	$ 64,875	$ 451,100

Continues Below

	Principal					
Fiscal Year	**2009D Highway Bonds**	**2010A Highway/ Capital Facility**	**2010B Highway Bonds**	**2010C Refunding Bonds**	**2011A Highway/ Capital Bonds**	**2012A Building/ Refunding Bonds**
2014.....	$ —	$ 55,435	$ —	$ —	$ 28,765	$ —
2015.....	—	58,035	—	—	28,765	130
2016.....	—	89,635	—	—	28,765	6,025
2017.....	—	81,125	—	28,510	48,765	3,050
2018.....	—	38,915	—	28,635	70,855	28,145
2019–2023.....	339,425	—	336,975	114,910	215,755	—
2024–2028.....	152,335	—	285,005	—	159,490	—
Total.....	$ 491,760	$ 323,145	$ 621,980	$ 172,055	$ 581,160	$ 37,350

Continues Below

Fiscal Year	**Total Principal Required**	**Total Interest Required**	**Total Amount Required**
2014.....	$ 314,855	$ 129,779	$ 444,634
2015.....	292,515	115,843	408,358
2016.....	320,180	100,817	420,997
2017.....	313,285	85,790	399,075
2018.....	259,310	73,475	332,785
2019–2023.....	1,128,460	220,682	1,349,142
2024–2028.....	596,830	25,096	621,926
Total.....	$ 3,225,435	$ 751,482	$ 3,976,917

C. **Revenue Bonds**

Revenue bonds payable consists of those issued by the Utah State Building Ownership Authority, the Utah State Board of Regents Student Loan Purchase Program, the State's Water Loan Programs, the Utah Housing Corporation, and various colleges and universities. These bonds are not considered general obligations of the State.

Governmental Activities

The Utah State Building Ownership Authority (SBOA) has issued bonds for the purchase and construction of facilities to be leased to state agencies and other organizations. The bonds are secured by the facilities and repayment is made from lease income appropriated by the Legislature and is not considered pledged revenue of the State. The outstanding bonds payable at June 30, 2013, are reported as a long-term liability of the governmental activities, except for $83.661

million and $1.832 million, which are reported in the Alcoholic Beverage Control Fund and the Utah Correctional Industries Fund (nonmajor enterprise funds), respectively. These portions are reported as liabilities of the business-type activities on the government-wide Statement of Net Position.

Business-type Activities

The Utah State Board of Regents Student Loan Purchase Program's (Student Assistance Programs) bonds were issued to provide funds for student loans and are secured by all assets of the Board of Regents Revenue Bond Funds and by the revenues and receipts derived from such assets. The Board of Regents has also issued a revenue bond for an office facility secured by funds within the Board of Regents budget that would otherwise be expended for rent.

The Student Assistance Programs include $370.79 million of fixed rate bonds, $107.4 million of bonds bearing interest at an adjustable rate, which is determined weekly by a remarketing agent, $249.711 million of bonds at a rate set at the 3-month LIBOR plus spread and $468.306 million of bonds at a rate set at the 1-month LIBOR plus 0.75 percent. The Programs bonds also include adjustable rate bonds that are set by an auction procedure every 28 days in the amount of $39.1 million and $5.1 million of bonds that are auctioned every 35 days.

The Student Assistance Program's bonds issued under the 1988 Trust Estate are limited obligations of the Board secured by and payable solely from the Trust Estate established by the Indenture. The bonds were issued to finance eligible student loans. The Trust Estate consists of: Student loans acquired under the indenture, all proceeds of the bonds and net revenues in the funds and accounts, and any other property pledged to the Trust Estate. The Board has pledged these assets and net revenues to repay $5.1 million of outstanding student loan revenue bonds which are payable through 2035. Interest paid for the current year and total net loss before interest expense for the current year were $22 thousand and $550 thousand, respectively.

The Student Assistance Program's bonds issued under the 1993 Trust Estate are limited obligations of the Board secured by and payable solely from the Trust Estate established by the Indenture. The bonds were issued to finance eligible student loans. The Trust Estate consists of student loans acquired under the indenture, all proceeds of the bonds and net revenues in the funds and accounts, and any other property pledged to the Trust Estate. The Board has pledged these assets and net revenues to repay $652.961 million of outstanding student loan revenue bonds which are payable through 2046. The total principal and interest remaining to be paid on the bonds is discussed below. Principal and interest paid for the current year and total net revenues before interest expense were $144.065 million and $9.978 million, respectively.

The Student Assistance Program's bonds issued under the 2011 Trust Estate are special limited obligations of the Board secured by and payable solely from the Trust Estate established by the Indenture. The bonds were issued to finance eligible student loans and to refund outstanding bonds of the board. The Trust Estate consists of student loans acquired under the indenture, all proceeds of the bonds and net revenues in the funds and accounts, and any other property pledged to the Trust Estate. The Board has pledged these assets and net revenues to repay $107.4 million of outstanding student loan revenue bonds which are payable through 2045. The total principal and interest remaining to be paid on the bonds is discussed below. Principal and interest paid for the current year and total net revenue before interest expense were $25.341 million and $3.123 million, respectively.

The Student Assistance Program's notes issued under the 2012 Trust Estate are special limited obligations of the Board secured by the payable solely from the Trust Estate established by the Indenture. The notes were issued to refinance eligible student loans and retire outstanding funding notes of the Board. The Trust Estate consists of student loans acquired under the indenture, all proceeds of the bonds and net revenues in the funds and accounts, and any other property pledged to the Trust Estate. The Board has pledged these assets and net revenues to repay $468.306 million of outstanding student loan backed notes which are payable through 2032. Principal and interest paid for the current year and total net revenue before interest expense were $53.782 million and $2.662 million, respectively.

The State's Water Loan Programs have issued recapitalization revenue bonds to provide additional capital for the State's revolving water resources loan programs. The bonds are secured by and repayments are made from the pledged principal and interest payments (pledged revenues) of specific revolving water resources loan funds. These pledged revenues will not be available for other purposes until the end of fiscal year 2023 when the bonds are completely paid off. Pledged revenues were projected to produce 150 percent of debt service requirements over the life of the bonds. The total principal and interest remaining to be paid on the bonds is $68.756 million. For the current year principal and interest paid and total repayments from pledged revenues were $6.957 million and $15.535 million, respectively. Of the bonds payable outstanding at June 30, 2013, $57.468 million are reported in the Water Loan Program Fund (major enterprise fund). These portions are reported as liabilities of the business-type activities on the government-wide Statement of Net Position.

Discrete Component Units

The Utah Housing Corporation revenue bonds were issued to provide sources of capital for making housing loans to persons of low or moderate income. Bonds repayments are made from the pledged mortgage payments.

The University of Utah, Utah State University and nonmajor component units issued revenue bonds for various capital purposes including student housing, special events centers, student union centers, and hospital and research facilities. The bonds are secured by pledged student building fees and other income of certain college activities.

Information on pledged revenues for discrete component units for the fiscal year ended June 30, 2013, is presented below.

(*Table continues on next page*.)

Pledged Revenue — Component Units
(Expressed in Thousands)

	Utah Housing Corporation	University of Utah	Utah State University	Nonmajor Component Units
Type of Revenue Pledged *	D	A, B, C	A, B	A
Amount of Pledged Revenue	$ 1,594,490	$ 796,788	$ 121,516	$ 234,878
Term of Commitment	Thru 2043	Thru 2036	Thru 2035	Thru 2040
Percent of Revenue Pledged	100.00 %	100.00 %	100.00 %	100.00 %
Current Year Pledged Revenue	$ 83,983	$ 114,260	$ 38,100	$ 19,913
Current Year Principal and Interest Paid	$ 773,396	$ 46,768	$ 8,537	$ 13,462

***** Type of Revenue Pledged:

A = Student and housing fees, auxiliary net revenues from bookstores, parking, stadium and event centers, and other campus generated charges and fees.

B = Research net revenue generated from the recovery of allocated facilities and administrative rates to grants and contracts.

C = Hospital and clinic net revenues from providing various health and psychiatric services to the community.

D = Principal and interest repayments from issuing and servicing mortgage loans on single family housing.

(*Notes continue on next page*.)

Revenue Bonds Payable — Primary Government
Governmental Activities
(Expressed in Thousands)

Bond Issue	Date Issued	Maturity Date	Interest Rate	Original Issue	Balance June 30, 2013
SBOA Lease Revenue Bonds:					
Series 1998 C	08/15/98	2000–2019	3.80 % to 5.50 %	$ 101,557	$ 45,195
Series 2003	12/30/03	2005–2025	2.00 % to 5.00 %	$ 20,820	2,330
Series 2004 A	10/26/04	2005–2027	3.00 % to 5.25 %	$ 32,458	2,096
Series 2009 D	09/09/09	2014–2017	5.00 %	$ 12,125	12,125
Series 2009 E	09/09/09	2018–2030	4.62 % to 5.77 %	$ 89,470	89,470
Series 2010	11/30/10	2011–2024	2.00 % to 5.00 %	$ 24,555	21,883
Series 2011	10/25/11	2012–2031	2.13 % to 4.00 %	$ 5,250	4,675
Series 2012 A	11/20/12	2017–2027	1.50 % to 5.00 %	$ 11,755	11,755
Series 2012 B	11/20/12	2013–2022	1.50 % to 2.25 %	$ 9,100	8,956
Total Lease Revenue Bonds Outstanding					198,485
Plus Unamortized Bond Premium					4,605
Less Deferred Amount on Refunding					(2,735)
Total Lease Revenue Bonds Payable					$ 200,355

Continues Below

Revenue Bonds Payable — Primary Government
Business-type Activities
(Expressed in Thousands)

Bond Issue	Date Issued	Maturity Date	Interest Rate	Original Issue	Balance June 30, 2013
Student Assistance Programs:					
1988 Trust Estate Student Loan Indentures	2000	2035	Variable	$ 49,500	$ 5,100
1993 Trust Estate Student Loan Indentures	1999–2011	2030–2046	Variable and Fixed	$1,337,655	652,961
2011 Trust Estate Student Loan Indentures	2011	2045	Variable	$ 143,520	107,400
2012 Trust Estate Student Loan Indentures	2012	2031	Variable	$ 518,700	468,306
Office Facility Bond Fund	2012	2014–2024	2.00 % to 5.00 %	$ 7,295	6,640
Total Revenue Bonds Outstanding					1,240,407
Plus Unamortized Bond Premium					9,271
Plus Deferred Amount on Refunding					24,664
Total Revenue Bonds Payable					$ 1,274,342
SBOA Lease Revenue Bonds:					
Series 1998 C	08/15/98	2000–2019	3.80 % to 5.50 %	$ 3,543	$ 1,710
Series 2003	12/30/03	2005–2025	2.00 % to 5.00 %	$ 1,905	280
Series 2004 A	10/26/04	2005–2025	3.00 % to 5.25 %	$ 13,347	849
Series 2006 A	01/10/06	2006–2027	3.50 % to 5.00 %	$ 8,355	4,180
Series 2007 A	07/10/07	2009–2028	4.25 % to 5.00 %	$ 15,380	12,870
Series 2009 A	03/25/09	2011–2030	3.00 % to 5.00 %	$ 25,505	22,900
Series 2009 B	09/09/09	2012–2019	3.00 % to 5.00 %	$ 8,455	6,620
Series 2009 C	09/09/09	2024, 2029	5.29 %, 5.77 %	$ 16,715	16,715
Series 2010	11/30/10	2011–2024	2.00 % to 5.00 %	$ 12,180	11,227
Series 2012 A	11/20/12	2017–2027	1.50 % to 5.00 %	$ 3,855	3,855
Series 2012 B	11/20/12	2013–2022	1.50 % to 2.25 %	$ 2,600	2,589
Total Lease Revenue Bonds Outstanding					83,795
Plus Unamortized Bond Premium					2,949
Less Deferred Amount on Refunding					(1,251)
Total Lease Revenue Bonds Payable					$ 85,493

Continues Below

Revenue Bonds Payable — Primary Government
Business-type Activities
(Expressed in Thousands)

Bond Issue	Date Issued	Maturity Date	Interest Rate	Original Issue	Balance June 30, 2013
Water Loan Programs:					
Series 2010 A Revolving Loan Recapitalization Revenue Bonds	02/23/10	2011–2014	1.15 % to 2.57 %	$ 18,450	$ 9,195
Series 2010 B Revolving Loan Recapitalization Revenue Bonds	02/23/10	2014–2017	2.25 % to 5.00 %	$ 16,125	16,125
Series 2010 C Revolving Loan Recapitalization Revenue Bonds	02/23/10	2018–2022	4.19 % to 4.79 %	$ 31,225	31,225
Total Recapitalization Revenue Bonds Outstanding					56,545
Plus Unamortized Bond Premium					923
Total Recapitalization Revenue Bonds Payable					$ 57,468
Total Revenue/Lease Revenue/ Recapitalization Revenue Bonds Payable					$ 1,617,658

(*Notes continue on next page*.)

Revenue Bond Issues — Primary Government
Debt Service Requirements to Maturity
For Fiscal Years Ended June 30
(Expressed in Thousands)

	Principal							
Fiscal Year	**1988 Trust Estate Student Loan Indentures**	**1993 Trust Estate Student Loan Indentures**	**2011 Trust Estate Student Loan Indentures**	**2012 Trust Estate Student Loan Indentures**	**Office Facility Bond Fund**	**1998 C Utah State Building Ownership Authority**	**2003 Utah State Building Ownership Authority**	**2004 A Utah State Building Ownership Authority**
2014	$ —	$ 75,567	$ 19,835	$ 69,144	$ 605	$ 9,290	$ 835	$ 2,945
2015	—	64,551	15,950	60,750	630	8,850	875	—
2016	—	63,915	13,488	52,634	655	9,230	900	—
2017	—	63,075	11,206	45,598	670	9,130	—	—
2018	—	56,773	9,293	39,493	685	8,295	—	—
2019–2023	—	212,181	27,603	131,023	3,145	2,110	—	—
2024–2028	—	116,899	10,025	63,904	250	—	—	—
2029–2033	—	—	—	5,760	—	—	—	—
2034–2038	5,100	—	—	—	—	—	—	—
Total	$ 5,100	$ 652,961	$ 107,400	$ 468,306	$ 6,640	$ 46,905	$ 2,610	$ 2,945

Continues Below

	Principal							
Fiscal Year	**2006 A Utah State Building Ownership Authority**	**2007 A Utah State Building Ownership Authority**	**2009 A Utah State Building Ownership Authority**	**2009 B Utah State Building Ownership Authority**	**2009 C Utah State Building Ownership Authority**	**2009 D Utah State Building Ownership Authority**	**2009 E Utah State Building Ownership Authority**	**2010 Utah State Building Ownership Authority**
2014	$ 350	$ 610	$ 925	$ 975	$ —	$ 1,300	$ —	$ 1,620
2015	365	645	950	1,020	—	3,425	—	2,880
2016	380	665	975	1,075	—	3,605	—	3,030
2017	395	695	1,025	1,125	—	3,795	—	3,175
2018	410	735	1,075	1,185	—	—	4,010	3,330
2019–2023	—	4,185	6,225	1,240	5,640	—	22,075	16,370
2024–2028	2,280	5,335	7,950	—	8,960	—	40,155	2,705
2029–2033	—	—	3,775	—	2,115	—	23,230	—
2034–2038	—	—	—	—	—	—	—	—
Total	$ 4,180	$ 12,870	$ 22,900	$ 6,620	$ 16,715	$ 12,125	$ 89,470	$ 33,110

Continues Below

(*Table continues on next page.*)

Revenue Bond Issues — Primary Government
Debt Service Requirements to Maturity
For Fiscal Years Ended June 30
(Expressed in Thousands)

	Principal					
Fiscal Year	**2011 Utah State Building Ownership Authority**	**2012 A Utah State Building Ownership Authority**	**2012 B Utah State Building Ownership Authority**	**2010 A Revolving Loan Recap Program**	**2010 B Revolving Loan Recap Program**	**2010 C Revolving Loan Recap Program**
2014.....	$ 365	$ —	$ 370	$ 4,745	$ —	$ —
2015.....	370	—	2,285	4,450	410	—
2016.....	380	—	2,335	—	5,025	—
2017.....	385	990	2,380	—	5,235	—
2018.....	395	1,005	1,305	—	5,455	—
2019–2023.....	2,145	7,830	2,870	—	—	31,225
2024–2028.....	375	5,785	—	—	—	—
2029–2033.....	260	—	—	—	—	—
2034–2038.....	—	—	—	—	—	—
Total.....	$ 4,675	$ 15,610	$ 11,545	$ 9,195	$ 16,125	$ 31,225

Continues Below

Fiscal Year	**Total Principal Required**	**Interest Required**	**Total Amount Required**
2014.....	$ 189,481	$ 39,841	$ 229,322
2015.....	168,406	36,737	205,143
2016.....	158,292	33,407	191,699
2017.....	148,879	29,878	178,757
2018.....	133,444	26,094	159,538
2019–2023.....	475,867	84,433	560,300
2024–2028.....	264,623	27,003	291,626
2029–2033.....	35,140	2,540	37,680
2034–2038.....	5,100	23	5,123
Total.....	$ 1,579,232	$ 279,956	$ 1,859,188

(*Notes continue on next page*.)

Revenue Bonds Payable — Component Units
(Expressed in Thousands)

Bond Issue	Date Issued	Maturity Date	Interest Rate	Original Issue	Balance June 30, 2013
Utah Housing Corporation Issues	1998–2013	2019–2043	Variable and 0.17 % to 7.47 %	$ 3,027,435	$ 1,121,865
University of Utah Revenue Bonds	1998–2012	2015–2036	1.75 % to 6.28 %	$ 693,280	555,234
Utah State University Revenue Bonds	2003–2013	2003–2035	1.90 % to 5.00 %	$ 100,530	82,520
Nonmajor Component Units Revenue Bonds	2002–2012	2013–2040	1.63 % to 6.00 %	$ 188,720	160,930
Total Revenue Bonds Outstanding					1,920,549
Plus Unamortized Bond Premium					9,399
Less Deferred Amount on Refunding					(72,463)
Total Revenue Bonds Payable					$ 1,857,485

Revenue Bond Issues — Component Units
Debt Service Requirements to Maturity
For Fiscal Years Ended June 30
(Expressed in Thousands)

Fiscal Year	Principal						
	Utah Housing Corporation	University of Utah	Utah State University	Nonmajor Component Units	Total Principal Required	Interest Required	Total Amount Required
2014	$ 89,538	$ 22,238	$ 5,062	$ 7,661	$ 124,499	$ 74,673	$ 199,172
2015	45,621	22,769	5,235	7,942	81,567	76,433	158,000
2016	47,370	26,292	4,908	7,879	86,449	73,063	159,512
2017	53,525	27,504	4,930	6,901	92,860	69,404	162,264
2018	56,134	28,766	5,120	7,178	97,198	65,367	162,565
2019–2023	267,997	153,113	16,325	38,245	475,680	264,822	740,502
2024–2028	239,754	159,082	18,635	36,392	453,863	159,381	613,244
2029–2033	166,604	107,350	16,470	40,367	330,791	63,998	394,789
2034–2038	98,517	8,120	5,835	6,880	119,352	16,506	135,858
2039–2043	56,805	—	—	1,485	58,290	2,895	61,185
Total	$ 1,121,865	$ 555,234	$ 82,520	$ 160,930	$ 1,920,549	$ 866,542	$ 2,787,091

(*Notes continue on next page*.)

D. **Conduit Debt Obligations**

Of the Utah Housing Corporation (major component unit) bonds outstanding, $365.7 million were issued as multi-family purchase bonds. Of those bonds, $365.7 million are conduit debt obligations issued on behalf of third parties. The Corporation is not obligated in any manner for repayment of the conduit debt and, accordingly, has not reported it in the accompanying financial statements.

In 1985, the State Board of Regents authorized the University of Utah (major component unit) to issue Variable Rate Demand Industrial Development Bonds for the Salt Lake City Marriott University Park Hotel separate from the University. The bonds are payable solely from revenues of the hotel. The bonds do not constitute a debt or pledge of the faith and credit of the University of Utah or the State and, accordingly, have not been reported in the accompanying financial statements. The outstanding balance of the bonds at June 30, 2013, is $2.63 million.

The Utah Charter School Finance Authority (nonmajor component unit) issued conduit debt obligations on behalf of various charter schools. The debt is the responsibility of the charter schools, and neither the State nor any political subdivision of the State is obligated in any manner for repayment of the debt. Accordingly, this debt has not been reported in the accompanying financial statements. The outstanding balance at June 30, 2013, is $248.8 million in tax-exempt and $805 thousand in taxable conduit debt.

On October 18, 2012, the Utah State Board of Regents Student Loan Purchase Program (Student Assistance Programs) issued $518.7 million of LIBOR-Indexed Series 2012-1 Student Loan Backed Notes from the 2012 Trust Estate for the purpose of refunding the Program's outstanding funding notes under the Conduit. The Board used $495.835 million of the proceeds from the financing to retire the notes and completed the refunding to manage its interest costs. Since variable rate debt was refunded with new variable rate debt, the change in cash flows and the economic gain or loss cannot be directly calculated and will vary depending on the actual interest costs incurred over the life of the Series 2012-1 Notes.

E. **Demand Bonds**

- The Student Assistance Programs had $107.4 million of demand bonds outstanding at June 30, 2013, subject to purchase on the demand of the holder at a price equal to principal plus accrued interest, on seven days' notice and delivery to the Board's remarketing agent.

  Under an irrevocable letter of credit, the trustee or the remarketing agent is entitled to draw an amount sufficient to pay the purchase price of bonds delivered to it. The letter of credit is valid through September 19, 2014, and carries an interest rate of LIBOR plus 1.25 percent.

  In the event bonds cannot be remarketed within 90 days of the "put" date, the Program has a takeout agreement to pay off the bonds over a five year period bearing an adjustable interest rate equal to the LIBOR rate plus 2.15 percent. The takeout agreement expires September 19, 2014. If the take out agreement were to be exercised because the entire issue of $107.4 million of demand bonds was "put" and not resold, the Program would be required to pay $23.117 million a year for five years under the installment loan agreement assuming a 2.84 percent interest rate.

  As of June 30, 2013, there were insufficient clearing bids on all of the Student Assistance Program's 1988 Revenue Bond Fund bonds in which interest rates are set by auction procedure (ARCs). Interest on these bonds will be calculated at the maximum rate. In general, for a tax exempt bond, the maximum rate is indexed to either the After Tax Equivalent Rate or the S&P Municipal Bond 7-Day Intermediate Grade Index, subject to a 14 percent maximum. The tax-exempt maximum rate for the year ended June 30, 2013 ranged from 0.04 percent to 0.63 percent.

  As of June 30, 2013, there were insufficient clearing bids on all of the Student Assistance Program's 1993 Revenue Bond Fund bonds in which interest rates are set by auction procedure (ARCs). Interest on these bonds will be calculated at the maximum rate. In general, the maximum rate is indexed to either the average 30-day T-bill or the 30-day Libor, subject to an 18 percent maximum. The taxable maximum rate during the year ended June 30, 2013 ranged from 0 percent to 13.81 percent.

- The Utah Housing Corporation (major component unit) had $625.975 million of bonds outstanding at June 30, 2013, subject to purchase on the demand of the holder at a price equal to principal plus accrued interest, on delivery to the remarketing agent.

  In the event the variable rate bonds cannot be remarketed, the Corporation has entered into various irrevocable Standby Bond Purchase Agreements (Liquidity Facility) originally totaling $696.885 million and an outstanding commitment of $165.705 million. These Agreements provide funds to purchase the variable rate bonds that have been tendered and not remarketed. These liquidity providers receive a fee ranging from 65 to 90 basis points of the outstanding amount of the variable rate bonds paid on a quarterly basis. As of June 30, 2013, none of the original commitments were available for replacement of existing liquidity facilities or to issue new variable rate bonds.

F. **Defeased Bonds and Bond Refunding**

The State issued on October 3, 2012, $37.35 million General Obligation and Refunding Bonds Series 2012 A and used $4.11 million to advance refund $4.125 million of Series 2004 B General Obligation Bonds. The principal amount of the refunding bonds and $413 thousand of original issue premium were paid to an escrow agent to be placed in an irrevocable trust account to provide for the debt service payments on the refunded bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Statement of Net Position.

The advance refunding transaction resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $291 thousand. This difference, reported in the Statement of Net Position as a deduction from bonds payable, is being charged to operations through fiscal year 2016, using the bonds outstanding method, which approximates the effective interest method. The refunding reduced the State's aggregate debt service payments by $161 thousand over 2 years and resulted in an economic gain (difference between the present values of the old and new debt service payments) of $157 thousand.

On November 20, 2012, the Utah State Building Ownership Authority issued $15.61 million of Lease Revenue Refunding Bonds Series 2012 A to advance refund $9.83 million, $3.79 million, and $2.33 million of Series 2003, 2004A, and 2006 A Lease Revenue Bonds, respectively. The principal amount of the refunding bonds and $1.78 million of original issue premium were paid to an escrow agent to be placed in an irrevocable trust account to provide for the debt service payments on the refunded bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Statement of Net Position.

The advance refunding transaction resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $1.488 million. This difference, reported in the Statement of Net Position as a deduction from bonds payable, is being charged to operations through fiscal year 2027, using the bonds outstanding method, which approximates the effective interest method. The refunding reduced the State's aggregate debt service payments by $2.431 million over 14 years and resulted in an economic gain (difference between the present values of the old and new debt service payments) of $2.092 million.

On November 20, 2012, the Utah State Building Ownership Authority issued $11.7 million of Lease Revenue and Refunding Bonds Series 2012 B and used $9.8 million to advance refund $9.295 million of Series 2004 A Lease Revenue Bonds. The principal amount of the refunding bonds and $298 thousand of original issue premium were paid to an escrow agent to be placed in an irrevocable trust account to provide for the debt service payments on the refunded bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Statement of Net Position.

The advance refunding transaction resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $719 thousand. This difference, reported in the Statement of Net Position as a deduction from bonds payable, is being charged to operations through fiscal year 2021, using the bonds outstanding method, which approximates the effective interest method. The refunding reduced the State's aggregate debt service payments by $854 thousand over 8 years and resulted in an economic gain (difference between the present values of the old and new debt service payments) of $804 thousand.

In prior years, the State defeased certain general obligation and revenue bonds by placing the proceeds of new bonds and other monies available for debt service in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Statement of Net Position. At June 30, 2013, the total amount outstanding of defeased general obligation bonds was $264.79 million. At June 30, 2013, the total amount outstanding of defeased revenue bonds was $43.73 million.

On August 8, 2012 the Utah Housing Corporation (major component unit) converted $237.335 million in outstanding variable rate demand obligations (VRDOs) into Floating Rate Notes (FRNs) through a direct placement transaction with the Federal Home Loan Bank (FHLB) of Seattle. The new FRNs also resulted in a corresponding reduction in liquidity facility with TCLP. As part of this refunding there was $44.577 million recognized as a deferred loss on refunding related to the underlying fair market value of swap contracts.

On May 1, 2013 the Utah Housing Corporation converted $206.65 million in outstanding VRDOs into FRNs through a direct placement transaction with the FHLB of Seattle. In addition to the conversion, it also issued $20.4 million of new FRNs to purchased seasoned mortgages into the respective indentures. These new FRNs also resulted in a corresponding reduction in liquidity facility with TCLP and Wells Fargo Bank. As part of this refunding there was $30.167 million recognized as a deferred loss on refunding related to the underlying fair market value of swap contracts.

Refunding or converting VRDOs requiring liquidity facilities and remarketing agents into FRNs has proven to be an effective means for the Corporation to reduce the overall costs of capital on variable rate debt.

On June 3, 2013 the Utah Housing Corporation issued its Single Family Bonds Series 2013 E, in the aggregate principal amount of $106.4 million, the proceeds of which were used to pay fees and related costs and to refund $105.38 million of fixed rate bonds under the 2009 Indenture (Series 2009 C, 2010 A and 2011 A). Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Statement of Net Position.

The advance refunding transaction resulted in a decrease in the aggregate future debt service requirements of $44.992 million and resulted in a net economic gain of $36.313 million.

In prior years, component units defeased certain revenue bonds by placing the proceeds of new bonds and various bond reserves in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the component unit column on the Statement of Net Position. At June 30, 2013, $51.565 million of college and university bonds outstanding are considered defeased.

G. Contracts Payable

Component unit capital leases/contracts payable include $4.701 million in life annuity contracts.

H. Notes Payable

The notes payable balance consists of notes issued by component units for the purchase of buildings, equipment and to provide a source of capital for the purchase of single family mortgage loans. The notes bear various interest rates and will be repaid over the next 20 years. They are secured by the related assets. Payment information on notes payable is presented below.

Notes Payable Debt Service Requirements to Maturity
Component Units
For Fiscal Years Ending June 30
(Expressed in Thousands)

Fiscal Year	Principal						
	Utah Housing Corporation	University of Utah	Utah State University	Nonmajor Component Units	Total Principal Required	Interest Required	Total Amount Required
2014	$ 22,599	$ 16,899	$ 2,305	$ 1,974	$ 43,777	$ 8,303	$ 52,080
2015	23,147	15,032	2,294	4,392	44,865	7,188	52,053
2016	23,708	12,194	2,172	982	39,056	6,037	45,093
2017	24,283	9,884	2,011	2,205	38,383	5,022	43,405
2018	24,871	4,102	2,379	1,041	32,393	3,996	36,389
2019–2023	51,554	13,158	8,227	3,884	76,823	9,383	86,206
2024–2028	—	13,843	1,236	1,648	16,727	2,893	19,620
2029–2033	—	797	37	1,138	1,972	138	2,110
Total	$170,162	$ 85,909	$ 20,661	$ 17,264	$ 293,996	$ 42,960	$ 336,956

I. **Debt Service Requirements for Derivatives**

Business-type Activities

As explained in Note 3.D., the Student Assistance Program (major proprietary fund) Board had issued on December 30, 2010 the Series 2010 EE bonds for the purpose of refinancing certain outstanding bonds in the 1988 and 1993 indentures. As part of this issuance, the Board entered into an interest rate exchange (swap) agreement relating to the Board's student loan revenue bonds. The projected net cash flows of the swap agreement are summarized below. The principal, interest, and net swap interest are included in the debt service schedule presented on page 107 for the Student Assistance Program.

Student Assistance Program
Swap Payments and Associated Debt
For Fiscal Years Ending June 30
(Expressed in Thousands)

Fiscal Year	Counterparty Swap Payment			Interest Payments to Bondholders	Total Payments
	To	From	Net		
2014	$ (6,759)	$ 16,465	$ 9,706	$ (16,465)	$ (6,759)
2015	(6,371)	15,659	9,288	(15,659)	(6,371)
2016	(5,857)	14,591	8,734	(14,591)	(5,857)
2017	(5,121)	13,061	7,940	(13,061)	(5,121)
2018	(4,334)	11,225	6,891	(11,225)	(4,334)
2019–2023	(12,778)	33,196	20,418	(33,196)	(12,778)
2024–2026	(1,578)	4,099	2,251	(4,099)	(1,578)
Total	$ (42,798)	$ 108,296	$ 65,498	$ (108,296)	$ (42,798)

Discrete Component Units

As explained in Note 3.D., Utah Housing Corporation (major component unit) had entered into 70 separate pay-fixed, receive-variable interest rate swaps as of June 30, 2013. Using rates as of June 30, 2013, debt service requirements of the Corporation's outstanding variable-rate debt and net swap payments are presented below. As rates vary, variable-rate bond interest payments and net swap payments (receipts) will vary. The principal, interest, and net swap interest are presented below for Utah Housing Corporation.

Utah Housing Corporation
Swap Payments and Associated Debt
For Fiscal Years Ending June 30
(Expressed in Thousands)

Fiscal Year	Variable Rate Bonds		Interest Rate Swaps, Net	Total
	Principal	Interest		
2014.....	$ 31,710	$ 3,438	$ 23,311	$ 58,459
2015	31,905	3,307	25,510	60,722
2016	33,280	3,095	24,200	60,575
2017.....	38,920	2,875	22,796	64,591
2018.....	41,280	2,618	21,158	65,056
2019–2023.....	196,595	9,109	80,565	286,269
2024–2028.....	161,095	3,611	42,073	206,779
2029–2033.....	80,800	668	13,232	94,700
2034–2038.....	10,390	53	532	10,975
Total	$ 625,975	$ 28,774	$ 253,377	$ 908,126

NOTE 11. GOVERNMENTAL FUND BALANCES, BUDGET STABILIZATION ACCOUNTS, AND NET POSITION RESTRICTED BY ENABLING LEGISLATION

A. Governmental Fund Balances – Restricted, Committed and Assigned

The State's fund balances represent: (**1**) **Restricted Purposes,** which include balances that are legally restricted for specific purposes due to constraints that are imposed by law through constitutional provisions or are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; (**2**) **Committed Purposes**, which include balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the Legislature; **(3) Assigned Purposes**, which includes balances that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. A summary of the nature and purpose of these reserves by fund type at June 30, 2013, follows:

(Summary on next page.)

Governmental Fund Balances
(Expressed in Thousands)

	Restricted Purposes	Committed Purposes	Assigned Purposes
General Fund:			
Government Operations:			
Legislature	$ —	$ 5,532	$ —
Governor	875	16,291	—
Elected Officials	1,724	5,500	—
Administrative Services	—	4,849	—
Revenue Assessments and Collections	—	12,919	—
Human Services	—	11,354	—
Corrections	—	23,108	—
Public Safety	8,477	34,099	—
Courts	—	9,307	—
Health	191	48,793	—
Environmental Quality	—	10,037	—
Employment and Family Services	—	22,796	—
Natural Resources	15,609	63,910	—
Heritage and Arts	22	3,315	—
Business, Labor, and Agriculture	23	38,104	—
Budget Reserve (Rainy Day) Account	—	134,117	—
Industrial Assistance	—	31,178	—
Postemployment and Other Liabilities	—	—	55,325
Fiscal Year 2014 Appropriations:			
Line Item Appropriations	—	—	138,445
Other Purposes	15,010	21,586	—
Total	$ 41,931	$ 496,795	$ 193,770
Education Fund:			
Minimum School Program	$ 64,024	$ —	$ —
State Office of Education	26,589	—	—
School Building Program	19,232	—	—
School Land Interest	38,117	—	—
Education Budget Reserve Account	269,362	—	—
Postemployment and Other Purposes *	203,071	—	—
Fiscal Year 2014 Appropriations:			
Line Item Appropriations	86,741	—	—
Available for Appropriation	122,366	—	—
Other Purposes	3,268	—	—
Total	$ 832,770	$ 0	$ 0
Transportation Fund:			
Transportation – Construction/Maintenance	$ 73,880	$ 40,328	$ 1,500
Public Safety	14,087	—	—
Corridor Preservation	44,261	—	—
Aeronautical Programs	7,334	—	—
Postemployment and Other Purposes *	31,329	4,440	—
Total	$ 170,891	$ 44,768	$ 1,500
Transportation Investment Fund:			
Transportation Investment Capacity Projects	—	434,803	—
Other Purposes	1,731	22,956	—
Total	$ 1,731	$ 457,759	$ 0
Nonmajor Governmental Funds:			
Capital Projects	$ 48,748	$ —	$ 53,587
Debt Service	—	—	8,429
State Endowment Fund	—	137,250	—
Environmental Reclamation	21,638	1,271	—
Rural Development	—	36,381	—
Other Purposes	18,976	14,966	70
Total	$ 89,362	$ 189,868	$ 62,086

***** Resources restricted through constitutional provisions.

B. **Budget Stabilization Accounts**

In accordance with Sections 63J–1–312 and 313 of the *Utah Code*, the State maintains the General Fund Budget Reserve Account in the General Fund (the "Rainy Day Fund") and an Education Fund Budget Reserve Account in the Education Fund (the "Education Reserve"). These stabilization balances can only be used to cover budget shortfalls when appropriated by the Legislature. State law requires 25 percent of any revenue surplus in the General Fund to be deposited in the Rainy Day Fund and 25 percent of any revenue surplus in the Education Fund to be deposited in the Education Reserve, in each case up to a statutory limit. State law limits the totals of the Rainy Day Fund and Education Reserve to 8 percent and 9 percent of appropriations from the General Fund and Education Fund, respectively, for the fiscal year in which the surplus occurred.

Historically, resources from the Rainy Day Fund or Education Reserve have only been expended during recessionary periods to cover overall budget shortfalls after other budgetary measures have been exhausted. Section 63J–1–217 of the *Utah Code* requires the State to maintain a balanced budget. If a revenue shortfall is expected, the Governor is required to direct state agencies to reduce commitments and expenditures by an amount proportionate to any revenue shortfall until the Legislature takes action to rectify the deficit. The Rainy Day Fund and the Education Reserve ended the year with balances of $134.117 million and $269.362 million, respectively. For the fiscal year ended June 30, 2013, there was no transfer into the Rainy Day Fund because there was no revenue surplus, as defined by law. There was $119.492 million transferred into the Education Reserve as a result of a revenue surplus.

C. **Net Position Restricted by Enabling Legislation**

The State's net position restricted by enabling legislation represent resources which a party external to a government—such as citizens, public interest groups, or the judiciary—can compel the government to use only for the purpose specified by the legislation. The government-wide Statement of Net Position reports $4.761 billion of restricted net position, of which $14.5 million is restricted by enabling legislation.

NOTE 12. DEFICIT NET POSITION AND FUND BALANCE

Funds reporting a deficit total net position at June 30, 2013, are (in thousands):

Private Purpose Trust Funds:	
Employers' Reinsurance	$ (63,681)
Petroleum Storage Tank	$ (10,505)

The deficit in the Employers' Reinsurance Trust represents the unfunded portion of the actuarial estimate of claims incurred. The Employers' Reinsurance Trust claims are funded from assessments on all workers' compensation insurance issued to employers within the State. The Utah Labor Commission sets the rate up to the maximum established by the Legislature to keep current revenues at a level sufficient to cover current cash disbursements. State law limits the State's liability to the cash or assets in the Employers' Reinsurance Trust only. State law also limits the Trust's liability to claims resulting from industrial accidents or occupational diseases occurring on or before June 30, 1994. For claims resulting from accidents or diseases on or after July 1, 1994, the employer or its insurance carrier is liable for resulting liabilities. Unfunded future claims are payable solely from future trust revenues.

The Petroleum Storage Tank Trust covers the cleanup costs of leaks from state-approved underground petroleum storage tanks. The assets in the fund are more than adequate to pay current claims. Unfunded future claims will be funded solely by future trust revenues.

Funds/activities reporting a deficit position in the unrestricted portion of their net position at June 30, 2013, are (in thousands):

Internal Service Funds:	
Technology Services	$ (3,812)
Fleet Operations	$ (35,390)

The Internal Service Funds deficits are mainly due to the significant investment in capital assets required for these operations. The deficits will be covered by future charges for services. Management may also seek rate increases to help reduce these deficits.

NOTE 13. INTERFUND TRANSFERS

Transfers between funds occur when one fund collects revenue and transfers the assets to another fund for expenditure or when one fund provides working capital to another fund. All transfers must be legally authorized by the Legislature through statute or an *Appropriation Act*. Interfund transfers for the fiscal year ended June 30, 2013, are as follows (in thousands):

(Interfund Transfers on next page.)

Transferred From	Transferred To: Governmental Funds: General Fund	Education Fund	Transportation Fund	Transportation Investment Fund	Trust Lands	Nonmajor Governmental Funds
General Fund	$ —	$ 9,540	$ 56,009	$ —	$ 28	$ 109,671
Education Fund	450,820	—	—	—	—	80,411
Transportation Fund	43,478	—	—	82,634	—	23,483
Transportation Investment Fund	—	—	—	—	—	332,779
Nonmajor Governmental Funds	72,590	—	—	—	—	804
Unemployment Compensation	8,946	—	—	—	—	—
Water Loan Programs	4,292	—	—	—	—	—
Community Impact Loan Fund	1,190	—	—	—	—	—
Nonmajor Enterprise Funds	82,192	—	—	—	597	—
Internal Service Funds	1,227	—	—	—	—	—
Total	$ 664,735	$ 9,540	$ 56,009	$ 82,634	$ 625	$ 547,148

Continues Below

Transferred From	Transferred To: Enterprise Funds: Community Impact Loan Fund	Nonmajor Enterprise Funds	Internal Service Funds	Total
General Fund	$ 18,743	$ 2,243	$ 531	$ 196,765
Education Fund	—	—	—	531,231
Transportation Fund	—	—	—	149,595
Transportation Investment Fund	—	—	—	332,779
Nonmajor Governmental Funds	—	—	—	73,394
Unemployment Compensation	—	—	—	8,946
Water Loan Programs	—	—	—	4,292
Community Impact Loan Fund	—	—	—	1,190
Nonmajor Enterprise Funds	—	—	—	82,789
Internal Service Funds	—	—	41	1,268
Total	$ 18,743	$ 2,243	$ 572	$ 1,382,249

Transfers from major governmental funds to nonmajor governmental funds are primarily for debt service expenditures and capital facility construction. Transfers from the General Fund to the Community Impact Loan Fund (major enterprise fund) are primarily mineral lease royalties used to make loans and grants to local governments. Transfers from nonmajor enterprise funds to the General Fund are mostly liquor profits from the Alcoholic Beverage Control Fund that are required by statute to be deposited in the General Fund. All other transfers are made to finance various programs as authorized by the Legislature.

During fiscal year 2013, the Legislature authorized transfers of $1.227 million from the Internal Service Funds to the General Fund to subsidize general fund revenues. In addition, the Legislature authorized payments of $736.973 million to the component units. Payments to the component units are reported as expenditures in both the General Fund fund statements and the Governmental Activities column of the Statement of Activities. They are also reported as revenues in the Component Units column of the Statement of Activities.

NOTE 14. LITIGATION, CONTINGENCIES, AND COMMITMENTS

A. Litigation

The State is involved in various legal actions arising in the ordinary course of business. The State is vigorously contesting all of these matters, but as of this date it is not possible to determine the outcome of these proceedings. In the opinion of the Attorney General and management, the ultimate disposition of these matters will not have a material adverse effect on the State's financial position.

- A lawsuit was filed by the Tobacco Companies against the settling states participating in a master settlement agreement in an effort to recoup tobacco settlement payments made in prior years. The plaintiffs allege that they are entitled to a non-participating manufacturer adjustment that will allow them to take a credit against these payment obligations. The dispute is currently subject to arbitration. It is impossible to determine the potential liability; however, any settlement will be a reduction in future state tobacco receipts.

- In addition to the items above, the State is contesting other legal actions totaling over $36.2 million plus attorneys' fees and interest and other cases where the amount of potential loss is undeterminable. Some portions of the amounts sought have been paid by the State or placed in escrow.

B. **Contingencies**

- The State receives a significant amount of funding from the federal government. Funds flowing from the federal government to the State are subject to changes to federal laws and appropriations. Based on the reported financial position of the federal government, including disclosures concerning fiscal sustainability, it is at least reasonably possible that events will occur in the near term that will significantly affect the flow of federal funds to the State. The State is taking action to identify and address the impact a significant reduction of federal funds will have on the programs and operations of the State including requiring contingency plans from state agencies.

- Financial and compliance audits (Single Audit) of federal grants, contracts, and agreements were conducted under the provisions of the Federal Office of Management and Budget's circulars. As a result of the audits, identified questioned costs are immaterial. In addition, program compliance audits by the federal government are conducted periodically; however, an estimate of any potential disallowances on these audits and findings on other audits on noncompliance cannot be estimated as to the potential liability. The Single Audit for the fiscal year ended June 30, 2013, will be available in November 2013.

- The Board of directors for the Utah Capital Investment Corporation (an independent quasi-public nonprofit corporation) has been authorized to issue and use up to $300 million in contingent tax credit certificates to mobilize private investment and enhance the venture capital culture and infrastructure within the State. The certificates are structured so that no more than $20 million of contingent tax credits for each $100 million increment of contingent tax liability may be redeemable in any fiscal year. Under certain circumstances, the holder of a certificate is entitled to a refundable tax credit against tax liabilities imposed by Title 59, Chapter 7 Corporate Franchise and Income taxes, or Title 59, Chapter 10, Individual Income Tax Act.

- Management's estimated liability for the Petroleum Storage Tank Trust (private purpose trust fund) is highly sensitive to change based on the short period of historical data and the uncertainty in estimating costs. Since it is not possible to determine the occurrence date of a leak in an underground storage tank, it is not possible to estimate the number or the associated costs of leaks that have not been detected.

- The State is self-insured for liability claims up to $1 million and beyond the excess insurance policy limit of $10 million. The State is self-insured for individual property and casualty claims up to $1 million and up to $3.5 million in aggregate claims and beyond the excess insurance policy limit of $1 billion per occurrence. According to an actuarial study and other known factors, $48.2 million exists as either incurred but unfiled or unpaid claims. This amount is reported as a liability of the Department of Administrative Services' Risk Management Fund (internal service fund).

- The Utah School Bond Guaranty Act (*Utah Code Annotated, 1953,* as amended, Sections 53A–28–101 to 402), which took effect on January 1, 1997, pledges the full faith, credit, and unlimited taxing power of the State to guaranty full and timely payment of the principal and interest on general obligation bonds issued by qualifying local school boards. The primary purpose of the Guaranty Act is to reduce borrowing costs for local school boards by providing credit enhancement for Guaranteed Bonds.

  In the event a school board is unable to make the scheduled debt service payments on its Guaranteed Bonds, the State is required to make such payments in a timely manner. For this purpose, the State may use any available monies, may use short-term borrowing from the State Permanent School Fund (part of the permanent Trust Lands Fund), or may issue short-term general obligation notes. The local school board remains liable to the State for any such payments on Guaranteed Bonds. Reimbursements to the State may be obtained by intercepting payment of state funds intended for the local school board. The State may also compel the local school board to levy a tax sufficient to reimburse the State for any guaranty payments.

  The State Superintendent of Public Instruction is charged with monitoring the financial condition of local school boards and reporting, at least annually, its conclusions to the Governor, the Legislature, and the State Treasurer. The State Superintendent must report immediately any circumstances which suggest a local school board may not be able to pay its debt service obligations when due. The State does not expect that it will be required to advance monies for the payment of debt service on Guaranteed Bonds for any significant period of time.

  Local school boards have $2.608 billion principal amount of Guaranteed Bonds outstanding at June 30, 2013. The State cannot predict the amount of bonds that may be guaranteed in future years, but no limitation is currently imposed by the Guaranty Act.

- The Charter School Credit Enhancement Program (Program) (*Utah Code Annotated,* Sections 53A–20b–201 to 204), which took effect on July 1, 2012, was established to reduce borrowing costs for qualifying charter schools by providing credit enhancement on bonds issued on behalf of those schools. Bonds issued under this Program are not legal obligations of the State, and neither the State nor any political subdivision of the State is obligated in any manner for repayment of the bonds. If a charter school with bonds issued under the Program draws on its debt service reserve fund, state law requires the Governor to request an appropriation from the Legislature to restore the school's debt service reserve fund to its required level or to meet any principal or interest payment deficiency. However, the Legislature is not required to make any such appropriations. A charter school is required to repay the State any appropriations it receives to restore its debt service reserves at the time and in the manner required by the Utah Charter School Finance Authority (Authority) (nonmajor discrete component unit).

  When bonds are issued under the Program, the qualifying school pays up-front and ongoing fees at rates determined by the Authority. These fees are deposited into a restricted reserve account that was funded initially in 2012 with a

$3 million appropriation. These monies may be appropriated by the Legislature to replenish any deficiency in the debt service reserve fund of a charter school under the Program.

The Authority is the conduit issuer of Credit Enhancement Program bonds, and is responsible for developing criteria by which a charter school qualifies to participate in the Program. The Authority is also charged with monitoring the financial condition of qualifying charter schools and certifying, at least annually, the amount required to restore amounts on deposit in the debt service reserve funds of charter schools participating in the Program. The total amount of charter school debt enhanced by the Program is limited by formula. As of June 30, 2013, $17.81 million of debt was issued and outstanding under the Program.

- At June 30, 2013, the Utah Higher Education Assistance Authority Student Loan Guarantee Program (Student Assistance Programs, major enterprise fund) had guaranteed student loans outstanding with a current principal and interest balance of $1.403 billion.

- The Attorney General of the State sued the tobacco industry for medical costs related to smoking. The State of Utah has signed on to a master settlement agreement along with 45 other states. The major tobacco manufacturers and most of the smaller manufacturers have joined the agreement. The State received $36.42 million from tobacco companies in fiscal year 2013 and expects to receive approximately $36.427 million in fiscal year 2014. Annual payments will be adjusted for factors such as inflation, decreased sales volume, previously settled law suits, disputed payments, and legal fees.

- During December 2012, the Utah Housing Corporation (major component unit) received a letter from Lehman Brothers demanding an additional amount related to the settlement of swaps terminated December 2008. The Corporation disputes the settlement amount and intends to vigorously defend their position. The amount in dispute is $27.374 million plus accrued interest at June 30, 2013.

C. **Commitments**

- At June 30, 2013, the Industrial Assistance Program of the General Fund had grant commitments of $4.427 million, contingent on participating companies meeting certain performance criteria.

- At June 30, 2013, the Economic Development Tax Increment Financing Incentive program (EDTIF) had outstanding long-term contract commitments for General Fund cash rebates of $94.749 million and Education Fund tax credits of $560.739 million. These cash rebates and tax credits are contingent on participating companies meeting certain economic development performance criteria.

- At June 30, 2013, the Motion Picture Incentive Program had outstanding contract commitments for General Fund cash rebates of $1.234 million and Education Fund tax credits of $11.726 million. These cash rebates and credits are contingent on participating motion picture companies meeting certain within-the-state production criteria.

- Utah Retirement Systems (defined benefit pension plans and defined contribution plans) has at its yearend December 31, 2012, committed to fund certain private equity partnerships, absolute return, and real estate projects for an amount of $6.644 billion. Funding of $4.289 billion has been provided, leaving an unfunded commitment of $2.355 billion as of December 31, 2012.

- As of June 30, 2013, the Utah Housing Corporation (major component unit) has committed to purchase mortgages under the warehouse loans and the Single-Family Mortgage Purchase Program in the amount of $75.102 million.

  The Utah Housing Corporation had one revolving credit agreement with $50 million available during the year maturing on July 12, 2013. At June 30, 2013, there is no outstanding balance on this revolving credit agreement. Interest paid on amounts drawn is calculated at 1 month LIBOR plus .6 percent with the 1 month LIBOR rate not to be less than .25 percent. Subsequent to the year ended June 30, 2013, this revolving line of credit was renewed and extended through July 11, 2014, and the amount available under this agreement was increased to $75 million. The balance on the revolving credit agreement at June 30, 2012 was $6.782 million with increases for 2013 of $101.174 million and decreases of $107.956 million.

- At June 30, 2013, the enterprise funds had loan commitments of approximately $146.721 million and grant commitments of approximately $43.646 million.

- At June 30, 2013, the Permanent Trust Lands Fund (permanent fund) had real estate commitments of $145 million, of which $77.037 million have been called leaving a remaining commitment of $67.963 million.

- At June 30, 2013, the Utah Department of Transportation had construction and other contract commitments of $422.525 million, of which $370.291 million is for Transportation Fund (major special revenue fund) and $52.234 million is for projects within the Transportation Investment Fund (major capital projects fund) highway projects. These commitments will be funded with future appropriations in the Transportation Fund and through proceeds of general obligation bonds and future appropriations in the Transportation Investment Fund.

- At June 30, 2013, the State's capital projects funds (nonmajor capital projects funds) had construction commitments of $151.048 million. These commitments will be funded with legislative appropriations, intergovernmental revenues, and proceeds of general obligation and lease revenue bonds.

- Under the terms of various limited partnership agreements approved by the Board of Trustees or by the University of Utah (major component unit) officers, the University is obligated to make periodic payments for advance commitments to venture capital and private equity investments. As of June 30, 2013, the University had committed, but not paid, a total of $25.974 million in funding for these alternative investments.

- Under the terms of various limited partnership agreements approved by the Board of Trustees or by the Utah State University (major component unit) officers, the University is

obligated to make periodic payments for advance commitments to venture capital, natural resource, and private equity investments. As of June 30, 2013, the University had committed, but not paid, a total of $9.126 million in funding for these alternative investments.

- At June 30, 2013, Utah State University (major component unit) had outstanding commitments for the construction and remodeling of its buildings of appropriately $4.30 million.

NOTE 15. JOINT VENTURES

A. Utah Communications Agency Network

The Utah Communications Agency Network (UCAN) was created by the State Legislature in 1997 as an independent agency. Its purpose is to provide public safety communications services and facilities on a regional or statewide basis.

UCAN's governing board consists of twelve representatives elected by the board, and five state representatives of which four are appointed by the Governor. The State has contracted to purchase communication services from UCAN to meet the needs of law enforcement officers in the Departments of Public Safety, Corrections, Natural Resources, and other smaller state agencies.

In fiscal year 1998 the State provided startup capital of $185 thousand. UCAN also may receive legal counsel from the Attorney General's Office at no cost. Contracts with state agencies are estimated to provide over 30 percent of UCAN's operating revenues.

UCAN had $1.415 million of revenue bonds outstanding at June 30, 2013. UCAN's debt is not a legal obligation of the State; however, if UCAN cannot meet its debt service requirements, state law allows the Governor to request an appropriation to restore the debt service reserve fund to its required level or to meet any principal or interest payment deficiency. The Legislature is not required to make any such appropriation, but if made, UCAN must repay the State within 18 months. To date, UCAN has never requested any such funding from the State and has had sufficient resources to cover its debt service and debt service reserve requirements.

Copies of the UCAN's financial statements can be obtained from UCAN's administrative office or from the Office of the Utah State Auditor.

B. Utah Education Network

The Utah Education Network (UEN) is a publicly funded consortium administered by the University of Utah (major component unit) supporting educational technology needs for Utah's public and higher education institutions, public libraries, and state agencies. UEN provides internet access for all Utah public middle schools, high schools, and higher education institutions. UEN also operates a fully interactive distance learning network interconnecting public schools and higher education institutions statewide. State appropriation support of UEN amounted to $17.411 million for the year ended June 30, 2013. UEN is not separately audited but is included in the audited financial statements of KUEN, a public broadcasting television station operated by the University. Copies of those statements can be obtained from KUEN's administrative offices.

NOTE 16. PENSION PLANS

Eligible employees of the State are covered by one of the following retirement plans:

A. Utah Retirement Systems

Utah Retirement Systems (URS) was established by Title 49 of *Utah Code Annotated, 1953,* as amended. URS administers the pension systems and plans under the direction of the URS Board, which consists of the State Treasurer and six members appointed by the Governor. URS has a separate accounting system and prepares a separately issued financial report covering all retirement systems and deferred compensation plans it administers. URS maintains records and prepares separately issued financial statements using fund accounting principles and the accrual basis of accounting under which expenses, including benefits and refunds, are recorded when the liability is incurred. Revenues, including contributions, are recorded in the accounting period in which they are earned and become measurable. URS reports on a calendar yearend. The December 31, 2012, financial report has been included in this Comprehensive Annual Financial Report as a pension trust fund for the Utah Retirement Systems (URS) within the fiduciary funds. Copies of the separately issued financial report that include financial statements and required supplemental information may be obtained by writing to Utah Retirement Systems, 540 East 200 South, Salt Lake City, Utah 84102, or by calling 1-800-365-8772.

The URS operations are comprised of the following groups of systems and plans covering substantially all employees of the State, public education, and other political subdivisions of the State:

- The Public Employees Contributory Retirement System (Contributory System); the Public Employees Noncontributory Retirement System (Noncontributory System); the Firefighters Retirement System (Firefighters System) which are defined-benefit multiple-employer, cost-sharing, public employee retirement systems;

- The Public Safety Retirement System (Public Safety System), which is a defined-benefit mixed agent and cost-sharing, multiple-employer retirement system;

- The Judges Retirement System (Judges System) and the Utah Governors and Legislators Retirement Plan, which are single-employer service employee retirement systems;

- The Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees); and the Tier 2 Public Safety and Firefighters Contributory System (Tier 2 Safety and Firefighters), which are defined-benefit multiple-employer, cost-sharing, public employee retirement systems;

- Five defined contribution plans comprised of the 401(k) Plan, 457 Plan, Roth and Traditional IRA Plans, and Health Reimbursement Arrangement.

Retirement benefits are specified by Title 49 of *Utah Code Annotated, 1953,* as amended. The retirement systems are defined-benefit plans wherein the benefits are based on age and/or years of service and highest average salary. Various plan options within the systems may be selected by retiring members. Some of the options require actuarial reductions based on attained age, age of spouse, and similar actuarial factors. A brief summary of eligibility for and benefits of the systems is provided in the following table:

Summary of Eligibility and Benefits

	Noncontributory System	Contributory System	Public Safety System	Firefighters System	Judges System	Tier 2 Public Employees System	Tier 2 Public Safety and Firefighters System
Final Average Salary..	Highest 3 Years	Highest 5 Years	Highest 3 Years		Highest 2 Years	Highest 5 Years	Highest 5 Years
Years of Service Required and/or Age Eligible for Benefit .	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	30 years any age 20 years age 60* 10 years age 62* 4 years age 65	20 years any age 10 years age 60 4 years age 65		25 years any age 20 years age 55* 10 years age 62 6 years age 70	35 years any age 20 years age 60 10 years age 62 4 years age 65	25 years any age 20 years age 60 10 years age 62 4 years age 65
Benefit Percent per Year of Service**...	2.00% per year all years	1.25% per year to June 1975 2.00% per year July 1975 to present	2.50% per year up to 20 years 2.00% per year over 20 years		5.00% first 10 years 2.25% second 10 years 1.00% over 20 years	1.50% per year all years	1.50% per year all years

Note: The Utah Governors and Legislators Retirement Plan benefits are explained below.

***** With actuarial reductions.

****** For members and retirees in the systems, prior to January 1, 1990, there may be a 3 percent benefit enhancement.

Former governors at age 65 receive $1,280 per month per term. Legislators receive a benefit at age 65 with four or more years of service at the rate of $28.00 per month per year of service. Retirement at age 62 with 10 or more years of service will receive an actuarial reduction. Both the governors' and legislators' benefits are adjusted based on the Consumer Price Index (CPI), limited to 4 percent of the base benefit per year.

Death benefits for active and retired employees are in accordance with retirement statutes. Upon termination of employment, members of the Systems may leave their retirement account intact for future benefits based on vesting qualification, or withdraw the accumulated funds in their individual member account and forfeit service credits and rights to future benefits upon which the contributions were based.

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salaries and wages as authorized by statute and specified by the Board. Employee contributions may be paid in part or in whole by the employer. Contributions in some systems are also augmented by fees or insurance premium taxes. Below is a summary of system participants.

Participating Membership by System
December 31, 2012

	Non-contributory System	Contributory System	Public Safety System	Firefighters System	Judges System	Utah Governors and Legislators Retirement Plan	Tier 2 Public Employees System	Tier 2 Public Safety and Firefighters System
Employers	435	159	130	57	1	1	461	145
Members:								
Active	82,259	1,937	7,313	1,884	111	113	10,356	477
Terminated Vested	35,119	1,157	2,889	166	4	81	—	—
Retirees and Beneficiaries:								
Service Benefits.....	40,456	4,369	4,284	1,112	117	224	—	—
Disability Benefits.....	—	1	8	92	—	—	—	—

Employer contribution rates consist of (***1***) an amount for normal cost (the estimated amount necessary to finance benefits earned by the members during the current year) and (***2***) an amount for amortization of the unfunded, or excess funded actuarial accrued liability over a closed 23 year amortization period. These rates are determined using the entry age actuarial cost method with a supplemental present value and the same actuarial assumptions used to calculate the actuarial accrued liability.

The following table presents the State of Utah's actuarially determined employer contributions required and paid to URS. These amounts are equal to the annual pension costs for each of the stated years and all of these amounts were paid for each year. Accordingly, the net pension obligation (NPO) at the end of each year was zero.

State of Utah's Employer Contributions
Required and Paid
For Fiscal Years Ended June 30
(Expressed in Thousands)

	Non-contributory System	Contributory System	Public Safety System	Firefighters System	Judges System	Utah Governors and Legislators Retirement Plan	Tier 2 Public Employees System	Tier 2 Public Safety and Firefighters System
Primary Government:								
2013	$ 129,519	$ 3,024	$ 42,075	$ 183	$ 4,910	$ 270	$ 4,395	$ 506
2012	$ 116,876	$ 2,988	$ 38,758	$ 159	$ 3,839	$ 214	$ 1,492	$ 56
2011	$ 117,029	$ 3,246	$ 36,439	$ 130	$ 3,475	$ 153	$ —	$ —
2010	$ 103,548	$ 3,333	$ 34,342	$ 81	$ 2,427	$ —	$ —	$ —
2009	$ 106,881	$ 3,692	$ 33,711	$ 76	$ 1,980	$ —	$ —	$ —
Component Units:								
Colleges and Universities:								
2013	$ 45,040	$ 1,539	$ 769	$ —	$ —	$ —	$ 2,589	$ 9
2012	$ 47,555	$ 1,993	$ 699	$ —	$ —	$ —	$ 967	$ 4
2011	$ 45,449	$ 1,998	$ 639	$ —	$ —	$ —	$ —	$ —
2010	$ 40,385	$ 1,905	$ 639	$ —	$ —	$ —	$ —	$ —
2009	$ 42,026	$ 2,133	$ 596	$ —	$ —	$ —	$ —	$ —
Other:								
2013	$ 4,894	$ 84	$ —	$ —	$ —	$ —	$ 165	$ —
2012	$ 4,422	$ 73	$ —	$ —	$ —	$ —	$ 56	$ —
2011	$ 4,083	$ 64	$ —	$ —	$ —	$ —	$ —	$ —
2010	$ 3,580	$ 53	$ —	$ —	$ —	$ —	$ —	$ —
2009	$ 3,483	$ 70	$ —	$ —	$ —	$ —	$ —	$ —
Total Primary Government and Component Units:								
2013	$ 179,453	$ 4,647	$ 42,844	$ 183	$ 4,910	$ 270	$ 7,149	$ 515
2012	$ 168,853	$ 5,054	$ 39,457	$ 159	$ 3,839	$ 214	$ 2,515	$ 60
2011	$ 166,561	$ 5,308	$ 37,078	$ 130	$ 3,475	$ 153	$ —	$ —
2010	$ 147,513	$ 5,291	$ 34,981	$ 81	$ 2,427	$ —	$ —	$ —
2009	$ 152,390	$ 5,895	$ 34,307	$ 76	$ 1,980	$ —	$ —	$ —

The following table summarizes contribution rates in effect at December 31, 2012:

Contribution Rates as a Percent of Covered Payroll

System	Member	Employer	Other
Noncontributory	—	16.04 % – 18.76 %	—
Contributory	6.00 %	12.03 % – 14.27 %	—
Public Safety:			
Contributory	10.50 % – 12.29 %	19.08 % – 27.95 %	—
Noncontributory	—	30.45 % – 42.21 %	—
Firefighters:			
Division A	15.05 %	2.66 %	11.84 %
Division B	16.71 %	2.08 %	11.84 %
Judges:			
Noncontributory	—	32.87 %	14.02 %
Utah Governors and Legislators	—	$214,076	—
Tier 2 Public Employees	—	14.33 % – 16.65 %	—
Tier 2 Public Safety and Firefighters	—	12.19 % – 31.87 %	—

Defined Contribution Plans

The 401(k), 457, Roth and Traditional IRA Plans, and Health Reimbursement Arrangement (HRA) administered by URS, in which the State participates, are defined contribution plans. These plans are available as supplemental plans to the basic retirement benefits of the retirement systems. Contributions may be made into the plans subject to plan and Internal Revenue Code limitations. Employer contributions may be made into the plans at rates determined by the employers and according to Utah Title 49. There are 379 employers participating in the 401(k) Plan and 162 employers participating in the 457 Plan. There are 150,242 plan participants in the 401(k) Plan, 16,623 participants in the 457 Plan, 3,996 participants in the Roth IRA Plan, 891 participants in the Traditional IRA Plan, and 1,899 in the HRA.

After termination of employment, benefits are paid out to individuals in lump sum, or as periodic benefit payments, at the option of the participant based on individual account balances and plan provisions. The defined contribution plans account balances are fully vested to the participants at the time of deposit. Investments of the plans are reported at fair value.

Employees of the State are eligible to participate in the defined contribution 401(k), 457, 403(b), Roth and Traditional IRA Plans. For the 401(k) plan, the State and participating employers are required to contribute to employees who participate in the noncontributory retirement plan. The State contributes 1.5 percent of eligible employees' salaries which amount vests immediately. The amounts contributed to the 401(k) Plan during the year ended June 30, 2013, by employees and employers are as follows: for Primary Government, $30.546 million and $17.293 million; for Component Units – Colleges and Universities, $4.217 million and $6.633 million; for Component Units – Other, $1.042 million and $913 thousand; and the combined total for all is $35.805 million and $24.839 million, respectively. The amounts contributed by employees to the 457, Roth and Traditional IRA Plans (Primary Government and Component Units) are $6.829 million, $2.218 million, and $127 thousand, respectively.

Employees of the University of Utah (major component unit) may also contribute to a 403(b) plan. For employees enrolled in the Hospital Retirement Plan and contribute to a 403(b) plan, the University matches up to 3 percent of an employee's contribution. Total University employee contributions to the 403(b) plans for the fiscal year were approximately $47.191 million.

Pension Receivables and Investments

Investments are presented at fair value. The fair value of investments is based on published market prices and quotations from major investment brokers at current exchange rates, as available. Many factors are considered in arriving at that value. Corporate debt securities are valued based on yields currently available on comparable securities of issuers with similar credit ratings. Mortgages have been valued on an amortized cost basis, which approximates market or fair value. The fair value of real estate investments has been estimated based on independent appraisals and/or property cash flow. For investments where no readily ascertainable market value exists, management, in consultation with their investment advisors have determined the fair value for the individual investments. Approximately 10 percent of the net position held in trust for the pension benefits are invested in debt securities of the U.S. Government and its instrumentalities. Of the 10 percent, approximately 5 percent are U.S. Government debt securities and 5 percent are debt securities of the U.S. Government instrumentalities. The systems and plans have no investments of any commercial or industrial organization whose market value equals 5 percent or more of the net position held in trust for pension benefits. The principal components of the receivables and investment categories are presented below.

(*Continues on next page*.)

Pension Receivables and Investments
(Expressed in Thousands)

	Non-contributory System	Contributory System	Public Safety System	Firefighters System	Judges System	Utah Governors and Legislators Retirement Plan	Tier 2 Public Safety Employees System
Receivables:							
Member Contributions	$ —	$ 281	$ 34	$ 594	$ —	$ —	$ —
Employer Contributions	39,123	621	4,250	—	187	—	1,446
Court Fees and Fire Insurance Premium	—	—	—	543	129	—	—
Investments	273,589	17,665	36,734	13,261	2,112	147	256
Total Receivables	$ 312,712	$ 18,567	$ 41,018	$ 14,398	$ 2,428	$ 147	$ 1,702
Investments:							
Debt Securities	$ 3,256,908	$ 210,287	$ 437,287	$ 157,868	$ 25,146	$ 1,748	$ 3,052
Equity Investments	6,583,357	425,065	883,906	319,109	50,829	3,534	6,170
Absolute Return	2,764,938	178,522	371,230	134,022	21,347	1,484	2,591
Private Equity	2,064,243	133,281	277,154	100,058	15,938	1,108	1,935
Real Assets	2,462,630	159,003	330,643	119,368	19,013	1,322	2,308
Mortgage Loans	5,449	352	732	264	42	3	5
Invested Securities Lending Collateral	1,265,465	81,706	169,906	61,339	9,770	679	1,186
Total Investments	$ 18,402,990	$ 1,188,216	$ 2,470,858	$ 892,028	$ 142,085	$ 9,878	$ 17,247

Continues Below

	Tier 2 Public Safety and Firefighters System	401 (k) Plan	457 Plan	IRA Plans	Health Reimbursement Arrangement	Total December 31, 2012
Receivables:						
Member Contributions	$ —	$ —	$ —	$ —	$ —	$ 909
Employer Contributions	62	—	—	—	1,313	47,002
Court Fees and Fire Insurance Premium	—	—	—	—	—	672
Investments	17	76,319	7,871	—	—	427,971
Total Receivables	$ 79	$ 76,319	$ 7,871	$ 0	$1,313	$ 476,554
Investments:						
Debt Securities	$ 205	$ 1,432,358	$ 161,217	$ 36,884	$ —	$ 5,722,960
Equity Investments	414	1,665,697	186,866	34,036	—	10,158,983
Absolute Return	174	—	—	—	—	3,474,308
Private Equity	130	—	—	—	—	2,593,847
Real Assets	155	39,559	4,621	1,230	—	3,139,852
Mortgage Loans	—	—	—	—	—	6,847
Invested Securities Lending Collateral	79	—	—	—	—	1,590,130
Total Investments	$ 1,157	$ 3,137,614	$ 352,704	$ 72,150	$ 0	$ 26,686,927

Actuarial Methods and Assumptions

The information contained in the Schedules of Funding Progress is based on the actuarial study dated January 1, 2012, and calendar year 2012 activity. The actuarial accrued liability is presented based on the report generated by that study, conducted by Gabriel, Roeder, Smith & Company. The actuarial value of assets for that date is based on a smoothed expected investment income rate. Beginning with the 2011 actuarial study, the investment rate of return assumption was changed from 7.75 percent to 7.5 percent. Investment income in excess or shortfall of the expected rate on fair value is smoothed over a five-year period with 20 percent of a year's excess or shortfall being recognized each year, beginning with the current year.

All systems use: (1) the entry age actuarial cost method and the level percent of payroll amortization method except the Utah Governors and Legislators Retirement Plan which uses the level dollar amount amortization method; (2) the remaining amortization period is an open group, 22 year, closed period; and (3) an inflation rate of 2.75 percent. Post-retirement cost of living adjustments are non-compounding and are based on the original benefit except for Judges, which is a compounding benefit. The adjustments are also limited to the actual CPI increase for the year, although unused CPI increases not met may be carried forward to subsequent years. Below are the Schedules of Funding Progress.

Schedules of Funding Progress
By Valuation Date
(Expressed in Thousands)

	Non-contributory System	Contributory System	Public Safety System	Firefighters System	Judges System	Utah Governors and Legislators Retirement Plan	Tier 2 Public Employees System	Tier 2 Public Safety and Firefighters System
Actuarial Value of Assets:								
January 1, 2011	$ 16,852,691	$ 1,132,661	$ 2,194,016	$ 810,216	$ 131,869	$ 10,197	$ —	$ —
January 1, 2012	$ 16,805,952	$ 1,135,251	$ 2,222,202	$ 810,764	$ 130,561	$ 9,565	$ 2,833	$ 90
December 31, 2012 ...	$ 17,007,940	$ 1,094,885	$ 2,283,777	$ 824,060	$ 131,217	$ 9,077	$ 17,818	$1,161
Actuarial Accrued Liability (AAL):								
January 1, 2011	$ 20,388,759	$ 1,251,412	$ 2,844,101	$ 872,133	$ 167,581	$ 11,513	$ —	$ —
January 1, 2012	$ 21,260,843	$ 1,269,042	$ 2,948,481	$ 903,399	$ 167,982	$ 12,029	$ 3,055	$ 101
December 31, 2012 ...	$ 22,361,197	$ 1,285,972	$ 3,129,084	$ 955,668	$ 175,817	$ 12,323	$ 17,890	$1,157
Unfunded Actuarial Accrued Liability (UAAL):								
January 1, 2011	$ 3,536,068	$ 118,751	$ 650,085	$ 61,917	$ 35,712	$ 1,316	$ —	$ —
January 1, 2012	$ 4,454,891	$ 133,791	$ 726,279	$ 92,635	$ 37,421	$ 2,464	$ 222	$ 11
December 31, 2012 ...	$ 5,353,257	$ 191,087	$ 845,307	$ 131,608	$ 44,600	$ 3,246	$ 72	$ (4)
Funding Ratios:								
January 1, 2011	82.7 %	90.5 %	77.1 %	92.9 %	78.7 %	88.6 %	—	—
January 1, 2012	79.0 %	89.5 %	75.4 %	89.7 %	77.7 %	79.5 %	92.7 %	89.1 %
December 31, 2012 ...	76.1 %	85.1 %	73.0 %	86.2 %	74.6 %	73.7 %	99.6 %	100.3 %
Annual Covered Payroll:								
January 1, 2011	$ 3,888,179	$ 116,395	$ 363,037	$ 105,275	$ 14,234	$ 910	$ —	$ —
January 1, 2012	$ 3,900,106	$ 110,103	$ 374,293	$ 110,751	$ 14,918	$ 910	$ 36,821	$ 855
December 31, 2012 ...	$ 3,794,929	$ 103,074	$ 366,471	$ 110,608	$ 14,885	$ 910	$ 203,779	$10,237
UAAL as a Percent of Covered Payroll:								
January 1, 2011	90.9 %	102.0 %	179.1 %	58.8 %	250.9 %	144.6 %	—	—
January 1, 2012	114.2 %	121.5 %	194.0 %	83.6 %	249.8 %	270.8 %	0.6 %	1.3 %
December 31, 2012 ...	141.1 %	185.4 %	230.7 %	119.0 %	299.6 %	356.7 %	0.0 %	0.0 %

B. **Teachers Insurance and Annuity Association–College Retirement Equities Fund**

Teachers Insurance and Annuity Association–College Retirement Equities Fund (TIAA–CREF) and Fidelity Investments, privately administered defined-contribution retirement plans, provides individual retirement fund contracts for each eligible participating employee. Eligible employees are mainly state college/university faculty and staff. Benefits to retired employees are generally based on the value of the individual contracts and the estimated life expectancy of the employee at retirement and are fully vested from the date of employment. The total current year required contribution and the amount paid is 14.2 percent of the employee's annual salary. The State has no further liability once annual contributions are made.

The total contribution made by the colleges and universities (component units) to the TIAA–CREF retirement system for June 30, 2013 and 2012, were $160.08 million and $151.23 million, respectively.

NOTE 17. OTHER POSTEMPLOYMENT BENEFITS

A. **Other Postemployment Benefit Plans**

The State administers the State Employee Other Postemployment Benefit Plan (State Employee OPEB Plan) through the State Post-Retirement Benefits Trust Fund as set forth in Section 67–19d–201 of the *Utah Code*. A separate Elected Official Other Postemployment Benefit Plan (Elected Official OPEB Plan) is provided for governors and legislators, and this Plan is administered through the Elected Official Post-Retirement Benefits Trust Fund as set forth in Section 67–19d–201.5 of the *Utah Code*. Both trust funds are irrevocable and legally protected from creditors. Both are also administered under the direction of a board of trustees, which consists of the State Treasurer, the Director of the Division of Finance, and the Director of the Governor's Office of Management and Budget.

Neither the State Post-Retirement Benefits Trust Fund, nor the Elected Official Post-Retirement Benefits Trust Fund issues a publicly available financial report, but are included in this report of the primary government using the economic resources measurement focus and the accrual basis of accounting under which expenses, including benefits and refunds, are recorded when the liability is incurred. Employer contributions are recorded in the accounting period in which they are earned and become measurable. Investments are reported at fair value and are based on published prices and quotations from major investment brokers at current exchange rates, as available. For investments where no readily ascertainable fair value exists, management, in consultation with their investment advisors have determined the fair values for the individual investments.

The State Legislature currently plans to contribute amounts to each trust fund that, at a minimum, is sufficient to fully fund the Annual Required Contribution (ARC), an actuarially determined rate in accordance with the parameters of GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. There are no long-term contracts for contributions to the plans.

B. **State Employee Other Postemployment Benefit Plan**

At the option of individual state agencies, employees may participate in the State Employee OPEB Plan, a single-employer defined benefit healthcare plan, as set forth in Section 67–19–14(2) of the *Utah Code*. Only state employees entitled to receive retirement benefits are eligible to receive postemployment health and life insurance benefits, and in some situations dental coverage, from the State Employee OPEB Plan. Upon retirement, an employee receives 25 percent of the value of their unused accumulated sick leave as a mandatory employer contribution into a 401(k) account. The employee may exchange eight hours of remaining unused accumulated sick leave earned prior to January 1, 2006, for one month of paid health and life insurance coverage up to age 65. After age 65, the employee may use any remaining unused accumulated sick leave, earned prior to January 1, 2006, to exchange for spouse health insurance to age 65, or Medicare supplemental insurance for the employee or spouse. In addition, any full-time employee of the Utah State Board of Education hired before July 1, 2012, who has attained at least five consecutive years of service with the agency, has the option of receiving postemployment health, dental, and life insurance coverage for up to five years or until the employee reaches age 65 regardless of their unused sick leave balance. Also, judges have their own retiree health coverage that is part of the State Employee OPEB Plan. As of December 31, 2012, the date of the latest actuarial valuation, approximately 5,562 retirees and their beneficiaries were receiving postemployment health and life insurance benefits, and an estimated 10,864 active state employees are eligible to receive future benefits under the State Employee OPEB Plan.

The contribution requirements of employees and the State are established and may be amended by the State Legislature. For retirees that participate in the State Employee OPEB Plan, health insurance premiums are paid 100 percent by the State for individuals that retired before July 1, 2000. Individuals retiring thereafter are required to contribute specified amounts monthly, ranging from 0 percent to 31.6 percent, toward the cost of health insurance premiums. For the year ended June 30, 2013, retirees contributed $1.538 million, or approximately 5.3 percent of total premiums, through their required contributions of $0 to $606.83 per month depending on the coverage (single, double, or family) and health plan selected.

The Annual Required Contribution (ARC) of $37.594 million, from the December 31, 2010, actuarial valuation and used to establish the annual budget for fiscal year 2013, is 6.4 percent of annual covered payroll. Although this ARC was used to establish the annual budget for fiscal year 2013 the State Legislature decided to contribute $38.070 million for the fiscal year, slightly more than the required ARC. This overfunding of the ARC contributed to a net OPEB asset of $6.047 million. It is reported on the Statement of Net Position (governmental activities) within *Prepaid Items*.

C. **Elected Official Other Postemployment Benefit Plan**

The Elected Official Other Postemployment Benefit Plan (Elected Official OPEB Plan) is a single-employer defined benefit healthcare plan, as set forth in Section 49–20–404 of the *Utah Code.* Only governors and legislators (elected officials) that retire after January 1, 1998 and have 4 or more years of service can elect to receive and apply for health coverage or Medicare supplemental coverage. The State will pay 40 percent of the

benefit cost for 4 years of service and up to 100 percent for ten or more years of service, for elected officials, and their spouses.

To qualify for health coverage, an elected official must be between 62 and 65 years of age and either be an active member at the time of retirement or have continued coverage with the program until the date of eligibility. In addition, to qualify for health coverage an elected official must have service as a legislator or governor prior to January 1, 2012.

To qualify for Medicare supplemental coverage an elected official must be at least 65 years of age. In addition, the elected official must retire under Chapter 19, *Utah Governors' and Legislators' Retirement Act*, and have service as an elected official prior to July 1, 2013.

As of December 31, 2012, the date of the latest actuarial valuation, approximately 83 retirees and their beneficiaries were receiving health or Medicare supplemental coverage, and an estimated 205 active and former elected officials may receive future benefits for themselves and qualifying dependents under the Elected Official Other Postemployment Benefit Plan. For the year ended June 30, 2013, elected officials that participated in the Elected Official OPEB Plan contributed $24 thousand, or approximately 6.9 percent of total premiums, through their required contributions of $0 (for ten or more years of service) to $663.52 per month (for four years of service) depending on the coverage (single or double) and health plan selected.

The Annual Required Contribution (ARC) of $1.894 million, from the December 31, 2010 actuarial valuation and used to establish the annual budget for fiscal year 2013, is 245.65 percent of annual covered payroll. For the fiscal year 2013, the State Legislature decided to contribute $2.03 million, $136 thousand more than the ARC.

The following table shows the components of the annual OPEB cost for the year, amount actually contributed to the plan, and changes in the net OPEB obligation for both the State Employee and Elected Official OPEB plans for fiscal year 2013 (dollar amount in thousands):

	State Employee OPEB Plan	Elected Official OPEB Plan
Annual required contribution	$ 37,594	$ 1,894
Interest on net OPEB obligation	(256)	218
Adjustment to annual required contribution	384	(315)
Annual OPEB cost (expense)	37,722	1,797
Contributions made	(38,070)	(2,030)
Increase (decrease) in net OPEB obligation	(348)	(233)
Net OPEB obligation (asset) – Beginning of year	(5,699)	5,439
Net OPEB obligation (asset) – End of year	$ (6,047)	$ 5,206

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation (asset) for fiscal year 2013 and the two preceding years for both the State Employee and Elected Official OPEB plans were as follows (dollar amount in thousands):

	Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
State Employee OPEB Plan	6/30/2011	$ 43,819	100.00 %	$ —
	6/30/2012	$ 37,594	115.16 %	$ (5,699)
	6/30/2013	$ 37,722	100.92 %	$ (6,047)
Elected Official OPEB Plan	6/30/2011	$ 1,793	19.18 %	$ 7,142
	6/30/2012	$ 1,767	196.38 %	$ 5,439
	6/30/2013	$ 1,797	112.97 %	$ 5,206

The funded status of both the State Employee and Elected Official OPEB plans as of December 31, 2012, was as follows (dollar amount in thousands):

	State Employee OPEB Plan	Elected Official OPEB Plan
Actuarial accrued liability	$ 408,661	$ 14,507
Actuarial value of plan assets	150,107	5,302
Unfunded actuarial accrued liability (funding excess)	$ 258,554	$ 9,205
Funded ratio	36.7 %	36.5 %
Covered payroll	$ 496,491	$ 1,431
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll	52.1 %	643.2 %

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, is designed to present multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The actuarial methods and assumptions of both the State Employee and Elected Official OPEB plans as of December 31, 2012, were as follows:

	State Employee OPEB Plan	Elected Official OPEB Plan
Actuarial valuation date	12/31/2012	12/31/2012
Actuarial cost method	Projected Unit Credit	
Amortization method	Level Dollar Amount; Open	
Remaining amortization period	20 years	20 years
Asset valuation method	Fair Value	Fair Value
Actuarial assumptions:		
Investment rate of return *	4.5 %	4.5 %
Healthcare inflation rate	8.5 % initial 4.5 % ultimate	

***** Includes an inflation assumption of 2.5 percent.

NOTE 18. RISK MANAGEMENT AND INSURANCE

It is the policy of the State of Utah to periodically assess the proper combination of commercial insurance and self-insurance to cover the risk of losses to which it may be exposed. This is accomplished by the State through the Risk Management (internal service fund) and the Public Employees Health Program (major component unit). The State is a major participant in these programs. The Risk Management Fund manages the general property, auto/physical damage, and liability risk of the State. The Public Employees Health Program manages the health insurance and long-term disability programs of the State. The University of Utah, Utah State University, Southern Utah University, Salt Lake Community College, and Utah Valley University (major and nonmajor component units) each maintain self-insurance funds to manage health/dental care. The University of Utah also maintains a self-insurance fund to manage medical malpractice liabilities.

The State has determined that the risk funds can economically and effectively manage the State's risks internally and have set aside assets for claim settlement. The risks are covered through reserves and commercial insurance for excessive losses. The State

did not have any losses or settlements that exceeded the State's self-insured aggregate claim limit or commercial excess insurance coverage for the fiscal year ended June 30, 2011. The State had property losses that exceeded the State's self-insured aggregate claim limit of $3.5 million for the fiscal year ended June 30, 2012. However, these losses did not exceed the State's commercial excess insurance coverage. The State had property losses that exceeded the State's self-insured aggregate claim limit of $3.5 million for the fiscal year ended June 30, 2013, but these losses did not exceed the State's commercial excess insurance coverage. The risk funds service all claims for risk of loss to which the State is exposed, including general liability, property and casualty, auto/physical damage, group medical and dental, disability, and some environmental claims. They also service the general risk claims for all local school districts and many charter schools within the State. All funds, agencies, public schools, and public authorities of the State may participate in the State's Risk Management and Public Employees Health Programs. The risk funds allocate the cost of providing claims servicing, claims payment, and commercial insurance by charging a "premium" to each agency, public authority, or employee, based on each organization's estimated current year liability and property values. The reserve for liability losses is determined using an independent actuarial study based on past, current, and estimated loss experiences.

Risk Management and Public Employees Health Program claims liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated and include an amount for claims that have been incurred but not reported. Because actual claims liabilities are affected by complex factors including inflation, changes in legal doctrines and insurance benefits, and unanticipated damage awards, the process used in computing claims liabilities does not necessarily result in exact amounts. Claims liabilities are recomputed periodically by actuaries to take into consideration recently settled claims, the frequency of claims, and other economic and social factors. Inflation is included in this calculation because reliance is based on historical data that reflects past inflation and other appropriate modifiers. The Risk Management claim liabilities reserves are reported using a discount rate of 1 percent. The Public Employees Health Program long-term disability benefit reserves are reported using discount rates between 3 and 7.75 percent. The primary government and the discrete component units of the State paid premiums to the Public Employees Health Program of $236.799 million and $30.46 million, respectively, for health and life insurance coverage in fiscal year 2013.

All employers who participate in the Utah Retirement Systems are eligible to participate in the Public Employees Long-term Disability Program per Section 49–21–201 of the *Utah Code*. Employees of those state agencies who participate in the program and meet long-term disability eligibility receive benefits for the duration of their disability up to the time they are eligible for retirement or until age 65. Benefits begin after a three-month waiting period and are paid 100 percent by the program. As of June 30, 2013, there are 258 state employees receiving benefits. The program is funded by paying premiums to the Public Employees Health Program (major component unit), where assets are set aside for future payments. For the fiscal year ended June 30, 2013, the primary government and the discrete component units of the State paid premiums of $5.276 million and $173 thousand, respectively, for the Long-term Disability Program.

The State covers its workers' compensation risk by purchasing insurance from Workers' Compensation Fund (a related organization). The University of Utah, Utah State University, Southern Utah University, Salt Lake Community College, and Utah Valley University report claims liabilities if it is probable that a liability has been incurred as of the date of the financial statements and the amount of the loss can be reasonably estimated. The University of Utah and the University of Utah Hospital and Clinics have a "claims made" umbrella malpractice insurance policy in an amount considered adequate by its respective administrations for catastrophic malpractice liabilities in excess of the trusts' fund balances. Amounts for the current year are included below. The following table presents the changes in claims liabilities balances (short and long-term combined) during fiscal years ended June 30, 2012 and June 30, 2013:

Changes in Claims Liabilities
(Expressed in Thousands)

	Beginning Balance	Current Year Claims and Changes in Estimates	Claims Payments	Ending Balance
Risk Management:				
2012	$ 42,731	$ 12,654	$ (10,685)	$ 44,700
2013	$ 44,700	$ 17,312	$ (13,822)	$ 48,190
Public Employees Health Program:				
2012	$ 114,231	$ 526,273	$(507,626)	$ 132,878
2013	$ 132,878	$ 481,563	$(491,126)	$ 123,315
College and University Self-Insurance:				
2012	$ 58,582	$ 294,789	$(290,977)	$ 62,394
2013	$ 62,394	$ 254,570	$(252,822)	$ 64,142

NOTE 19. SUBSEQUENT EVENTS

Beginning October 1, 2013 and lasting 16 days, the federal government went through a partial shutdown. The shutdown impacted the flow of federal funds for certain programs in addition to shutting down non-critical federal operations within the State. The Governor called a special session and the Legislature authorized specific state agencies to use existing state resources to pay for certain federal programs and leave benefits for furloughed employees. In addition, the Legislature appropriated state funds to be used to operate the national parks, monuments, and recreation areas within the State. It is uncertain whether the State will be reimbursed for the State resources spent on behalf of the federal government during this 16 day period. The full impact of this shutdown on the State's economy will not be known for some time.

Subsequent to June 30, 2013, the Permanent Trust Lands Fund (permanent fund) had real estate commitments of $15 million.

On July 30, 2013, the State issued $226.175 million of General Obligation Bonds Series 2013. Principal on the bonds is due annually commencing July 1, 2014 through July 1, 2028. Interest rates on the Series 2013 bonds range from 3 percent to 5 percent, with a "true interest rate" of 2.875 percent after considering the premium received upon the sale of the bonds. Proceeds of the bonds will be used for highway projects.

Subsequent to June 30, 2013, the Governor's Office of Economic Development Board approved $32.103 million of additional commitments to be credited over the next several years for the Economic Development Tax Increment Financing Incentive program (EDTIF). These commitments are contingent on participating companies meeting certain economic development performance criteria.

Subsequent to June 30, 2013, the Utah Housing Corporation (major component unit) issued $20 million of taxable Single Family Mortgage Bonds Series F, which closed September 25, 2013. In addition, the Corporation issued $10.986 million of Home Ownership Mortgage-backed Exempt Securities Series 2013 A, which closed October 21, 2013.

The HIPUtah Board on July 18, 2013, approved a transition and termination plan to close enrollment and terminate coverage as of December 31, 2013, and transition all enrollees to the Utah Federal Facilitated Marketplace by January 1, 2014. The Board plans to require all benefit claims be submitted no later than December 31, 2014, with all benefit claims paid by January 31, 2015. The Board will work with the Utah Legislature during the 2015 General Session to pass a bill to authorized the dissolution of the Utah Comprehensive Health Insurance Pool (nonmajor component unit).

On July 30, 2013, the University of Utah (major component unit) issued $127.925 million of General Revenue Bonds Series 2013 A. Principal on the bonds is due annually commencing August 1, 2019 through August 1, 2023 and August 1, 2043. Bond interest is due semiannually commencing February 1, 2014 at a rate of 5 percent. Proceeds from these bonds are to be used to construct a student center, a basketball training center, a building for the College of Law, and a parking structure in the Health, Physical Education and Recreation complex.

On July 30, 2013, the University of Utah (major component unit) issued $100 million of Taxable Commercial Paper General Revenue Refunding Notes, Series 2013 B. Principal on the notes is due no later than 270 days from the date of issuance and is expected to be paid with the proceeds of additional Series 2013 B Notes until permanent financing for such debt is obtained through issuance of long-term bonds. Proceeds from these notes are used to refund certain of the University's outstanding bonds.

The University of Utah (major component unit) Hospitals and Clinics (UUHC) entered into a $30 million capital lease to finance the electronic medical record system in August 2013. This lease will be repaid over a 10 year period at an interest rate of 1.97 percent. In addition, UUHC purchased land for approximately $8 million as a site for future construction of a multispecialty clinic.

On August 27, 2013, Utah State University (major component unit) issued $43.31 million of Student Building Fee Revenue Bonds, Series 2013 B for the purpose of paying a portion of the costs of constructing, equipping, and furnishing the Student Recreation and Wellness Center, and the Wayne Estes Center, which will be a basketball practice facility and volleyball competition venue. Student fee revenues are projected to produce at least 110 percent of the annual debt service requirements over the life of the bonds. Although these bonds are secured by a pledge of Student Building Fee revenues, it is anticipated that private donations will cover the portion of the debt service associated with the Wayne Estes Center. The bonds are payable through December 1, 2044.

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REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedule
General Fund

For the Fiscal Year Ended June 30, 2013 (Expressed in Thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
General Revenues				
Sales Tax	$ 1,610,577	$ 1,632,995	$ 1,615,936	$ (17,059)
Licenses, Permits, and Fees:				
Court Fees	21,222	14,506	13,885	(621)
Other Licenses, Permits, and Fees	9,699	7,943	13,370	5,427
Investment Income	5,600	4,496	6,007	1,511
Miscellaneous Taxes and Other:				
Beer Tax	7,680	7,027	8,422	1,395
Cigarette and Tobacco Tax	118,939	113,671	112,439	(1,232)
Insurance Premium Tax	81,100	87,449	89,592	2,143
Oil, Gas, and Mining Severance Tax	96,000	77,150	70,105	(7,045)
Taxpayer Rebates	(6,300)	(6,850)	(6,276)	574
Court Collections	4,160	3,068	3,566	498
Other Taxes	33,742	36,574	34,298	(2,276)
Miscellaneous Other	23,399	28,345	29,174	829
Total General Revenues	2,005,818	2,006,374	1,990,518	(15,856)
Department Specific Revenues				
Sales Tax	3,818	3,972	3,972	—
Federal Contracts and Grants	2,743,473	2,551,755	2,551,755	—
Departmental Collections	384,885	452,207	461,544	9,337
Higher Education Collections	590,178	655,677	655,677	—
Federal Mineral Lease	157,700	134,395	133,182	(1,213)
Investment Income	2,283	2,909	3,091	182
Miscellaneous	524,151	505,582	493,740	(11,842)
Total Department Specific Revenues	4,406,488	4,306,497	4,302,961	(3,536)
Total Revenues	6,412,306	6,312,871	6,293,479	(19,392)
Expenditures				
General Government	380,314	391,883	327,812	64,071
Human Services and Juvenile Justice Services	685,555	685,350	674,711	10,639
Corrections	282,810	273,271	249,386	23,885
Public Safety	292,977	259,399	222,719	36,680
Courts	134,366	132,630	129,838	2,792
Health and Environmental Quality	2,607,264	2,584,695	2,530,583	54,112
Higher Education – State Administration	70,440	51,901	51,901	—
Higher Education – Colleges and Universities	1,319,228	1,381,277	1,380,969	308
Employment and Family Services	939,674	800,891	792,532	8,359
Natural Resources	199,010	216,653	189,846	26,807
Heritage and Arts	26,532	24,799	21,536	3,263
Business, Labor, and Agriculture	137,712	107,892	91,647	16,245
Total Expenditures	7,075,882	6,910,641	6,663,480	247,161
Excess Revenues Over (Under) Expenditures	(663,576)	(597,770)	(370,001)	227,769
Other Financing Sources (Uses)				
Sale of Capital Assets	—	—	37	37
Transfers In	487,269	667,495	667,495	—
Transfers Out	(199,969)	(198,795)	(198,795)	—
Total Other Financing Sources (Uses)	287,300	468,700	468,737	37
Net Change in Fund Balance	(376,276)	(129,070)	98,736	227,806
Budgetary Fund Balance – Beginning	567,024	567,024	567,024	—
Budgetary Fund Balance – Ending	$ 190,748	$ 437,954	$ 665,760	$ 227,806

The Notes to Required Supplementary Information – Budgetary Reporting are an integral part of this schedule.

Budgetary Comparison Schedule
Education Fund

For the Fiscal Year Ended June 30, 2013 (Expressed in Thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
General Revenues				
Individual Income Tax	$ 2,616,730	$ 2,668,392	$ 2,868,971	$ 200,579
Corporate Tax	259,083	312,443	342,292	29,849
Miscellaneous Other	17,000	21,400	32,825	11,425
Total General Revenues	2,892,813	3,002,235	3,244,088	241,853
Department Specific Revenues				
Federal Contracts and Grants	541,391	509,801	509,801	—
Departmental Collections	1,885	7,836	7,836	—
Investment Income	31,250	30,187	38,248	8,061
Miscellaneous:				
School Lunch Collections	32,577	34,687	34,687	—
Driver Education Fee	4,995	5,203	5,203	—
Other	6,967	7,160	7,057	(103)
Total Department Specific Revenues	619,065	594,874	602,832	7,958
Total Revenues	3,511,878	3,597,109	3,846,920	249,811
Expenditures				
Public Education	3,266,019	3,195,292	3,105,275	90,017
Total Expenditures	3,266,019	3,195,292	3,105,275	90,017
Excess Revenues Over (Under) Expenditures	245,859	401,817	741,645	339,828
Other Financing Sources (Uses)				
Transfers In	7,604	9,540	9,540	—
Transfers Out	(442,232)	(531,231)	(531,231)	—
Total Other Financing Sources (Uses)	(434,628)	(521,691)	(521,691)	0
Net Change in Fund Balance	(188,769)	(119,874)	219,954	339,828
Budgetary Fund Balance – Beginning	409,748	409,748	409,748	—
Budgetary Fund Balance – Ending	$ 220,979	$ 289,874	$ 629,702	$ 339,828

The Notes to Required Supplementary Information – Budgetary Reporting are an integral part of this schedule.

Budgetary Comparison Schedule
Transportation Fund

For the Fiscal Year Ended June 30, 2013 (Expressed in Thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
General Revenues				
Motor Fuel Tax	$ 254,000	$ 250,700	$ 256,867	$ 6,167
Special Fuel Tax	106,200	99,500	101,360	1,860
Licenses, Permits, and Fees:				
Motor Vehicle Registration Fees	40,477	39,113	37,307	(1,806)
Proportional Registration Fees	16,318	15,192	15,882	690
Temporary Permits	494	385	364	(21)
Special Transportation Permits	11,432	10,363	9,669	(694)
Highway Use Permits	10,227	10,016	11,158	1,142
Motor Vehicle Control Fees	5,459	5,292	4,975	(317)
Miscellaneous	2,123	1,739	1,321	(418)
Investment Income	200	200	502	302
Miscellaneous Other	—	—	3	3
Total General Revenues	446,930	432,500	439,408	6,908
Department Specific Revenues				
Sales and Aviation Fuel Taxes	46,969	71,697	79,128	7,431
Federal Contracts and Grants	181,575	399,162	399,162	—
Departmental Collections	75,683	86,496	91,991	5,495
Investment Income	139	139	433	294
Miscellaneous	5,213	38,676	39,895	1,219
Total Department Specific Revenues	309,579	596,170	610,609	14,439
Total Revenues	756,509	1,028,670	1,050,017	21,347
Expenditures				
Transportation	675,501	971,050	950,878	20,172
Total Expenditures	675,501	971,050	950,878	20,172
Excess Revenues Over (Under) Expenditures	81,008	57,620	99,139	41,519
Other Financing Sources (Uses)				
Sale of Capital Assets	500	10,245	10,245	—
Transfers In	74,875	56,009	56,009	—
Transfers Out	(142,654)	(149,595)	(149,595)	—
Total Other Financing Sources (Uses)	(67,279)	(83,341)	(83,341)	0
Net Change in Fund Balance	13,729	(25,721)	15,798	41,519
Budgetary Fund Balance – Beginning	177,570	177,570	177,570	—
Budgetary Fund Balance – Ending	$ 191,299	$ 151,849	$ 193,368	$ 41,519

The Notes to Required Supplementary Information – Budgetary Reporting are an integral part of this schedule.

Budgetary Comparison Schedule
Budget To GAAP Reconciliation

For the Fiscal Year Ended June 30, 2013 (Expressed in Thousands)

	General Fund	Education Fund	Transportation Fund
Revenues			
Actual total revenues (budgetary basis)	$ 6,293,479	$ 3,846,920	$ 1,050,017
Differences – Budget to GAAP:			
Intrafund revenues are budgetary revenues but are not revenues for financial reporting	(309,076)	(5,547)	(1,200)
Higher education and Utah Schools for the Deaf and the Blind collections are budgetary revenues but are not revenues for financial reporting	(665,086)	(6,323)	—
Change in revenue accrual for nonbudgetary Medicaid claims	(14,400)	—	—
Change in tax accruals designated by law for postemployment and other liabilities are revenues for financial reporting but not for budgetary reporting	6,365	(16,477)	(7,071)
Change in estimated federal receivables recorded as revenues for financial reporting but not for budgetary reporting	—	2,817	—
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	$ 5,311,282	$ 3,821,390	$ 1,041,746
Expenditures			
Actual total expenditures (budgetary basis)	$ 6,663,480	$ 3,105,275	$ 950,878
Differences – Budget to GAAP:			
Intrafund expenditures for reimbursements are budgetary expenditures but are not expenditures for financial reporting	(309,076)	(5,547)	(1,200)
Expenditures related to higher education and Utah Schools for the Deaf and the Blind collections are budgetary expenditures but are not expenditures for financial reporting	(665,086)	(6,323)	—
Certain budgetary transfers and other charges are reported as an increase or reduction of expenditures for financial reporting	(730)	—	—
Leave/postemployment charges budgeted as expenditures when earned rather than when taken or due	1,911	403	1,030
Change in estimated federal liabilities recorded as expenditures for financial reporting but not for budgetary reporting	—	2,817	—
Change in accrual for Medicaid incurred but not reported claims excluded from the budget by statute	(19,351)	—	—
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	$ 5,671,148	$ 3,096,625	$ 950,708

The Notes to Required Supplementary Information – Budgetary Reporting are an integral part of this schedule.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – BUDGETARY REPORTING

Budgetary Presentation

A Budgetary Comparison Schedule is presented for the General Fund and each of the State's major special revenue funds for which the Legislature enacts an annual budget. An annual budget is also adopted for the Transportation Investment Fund, a major capital projects fund, and the Debt Service Fund, a nonmajor fund. The budgets are enacted through passage of *Appropriations Acts.* Budgets for specific general revenues are not adopted through an *Appropriations Act* but are based on supporting estimates approved by the Executive Appropriations Committee of the Legislature. General revenues are those revenues available for appropriation for any program or purpose as allowed by law. Department-specific revenues are revenues dedicated by an *Appropriations Act* or restricted by other law or external grantor to a specific program or purpose.

Original budgets and related revenue estimates represent the spending authority enacted through *Appropriations Acts* as of June 30, 2013, and include nonlapsing carryforward balances from the prior fiscal year. Final budgets represent the original budget as amended by supplemental appropriations and related changes in revenue estimates, executive order reductions when applicable, and changes authorized or required by law when department-specific revenues either exceed or fall short of budgeted amounts.

Unexpended balances at yearend may: (***1***) lapse to unrestricted balances (committed, assigned, or unassigned) and be available for future appropriation; (***2***) lapse to restricted balances and be available for future appropriation restricted for specific purposes as defined by statute; or (***3***) be nonlapsing, which means balances are reported as either restricted or committed fund balance. The nonlapsing balances are considered automatically reappropriated as authorized by statute, by an *Appropriations Act*, or by limited encumbrances.

Budgetary Control

In September of each year, all agencies of the government submit requests for appropriations to the Governor's Office of Management and Budget so that a budget may be prepared. The budget is prepared by fund, function, and activity and includes information on the past year, current year estimates, and requested appropriations for the next fiscal year.

In January, the proposed budget is presented to the Legislature. The Legislature reviews the budget, makes changes, and prepares the annual *Appropriations Act*. The Legislature passes the *Appropriations Act* by a simple majority vote. The *Appropriations Act* becomes the State's authorized operating budget upon the Governor's signature. The *Constitution of Utah* requires that budgeted expenditures not exceed estimated revenues and other sources of funding, including beginning balances.

Budgetary control is maintained at the functional or organizational level, as identified by numbered line items in the *Appropriations Act.* Budgets may be modified if federal funding or revenue specifically dedicated for a line item exceeds original estimates in the *Appropriations Act*. If funding sources are not sufficient to cover the appropriation, the Governor is required to reduce the budget by the amount of the deficiency. Any other changes to the budget must be approved by the Legislature in a supplemental *Appropriations Act*.

Any department that spends more than the authorized amount must submit a report explaining the overspending to the State Board of Examiners. The Board will recommend corrective action, which may include a request to the Legislature for a supplemental appropriation to cover the deficit. If a supplemental appropriation is not approved, the department must cover the overspending with the subsequent year's budget. In the General Fund, the State Courts Administrator's budget for juror and witness fees was overexpended by $862 thousand. This deficit is allowed by statute and will be funded with future appropriations. In the General Fund, the Attorney General's budget for contract attorneys was overexpended by $224 thousand. All other appropriated budgets of the State were within their authorized spending levels.

Spending Limitation

The State also has an appropriation limitation statute that limits the growth in state appropriations. The total of the amount appropriated from unrestricted General Fund sources plus the income tax revenues appropriated for higher education is limited to the growth in population and inflation. The appropriations limitation can be exceeded only if a fiscal emergency is declared and approved by more than two-thirds of both houses of the Legislature, or if approved by a vote of the people. However, the appropriations limitation statute may be amended by a majority of both houses of the Legislature. Appropriations for debt service, emergency expenditures, amounts from other than unrestricted revenue sources, transfers to the Budgetary Reserve Account (Rainy Day Fund), Education Budget Reserve Account and the Transportation Investment Fund; or capital developments meeting certain criteria are exempt from the appropriations limitation. For the fiscal year ended June 30, 2013, the State was $829.3 million below the appropriations limitation.

INFORMATION ABOUT THE STATE'S OTHER POSTEMPLOYMENT BENEFIT PLANS

The State Employee Other Postemployment Benefit Plan (State Employee OPEB Plan) is administered through the State Post-Retirement Benefits Trust Fund as an irrevocable trust. Assets of the trust fund are dedicated to providing postemployment health and life insurance coverage to current and eligible future state retirees. Only state employees entitled to receive retirement benefits and meeting other specific eligibility criteria are eligible to receive postemployment benefits.

The following factors contributed to changes in the elements presented below in the Schedule of Funding Progress for the State Employee OPEB Plan from December 31, 2008 to December 31, 2010: (***1***) fully funding the Annual Required Contribution (ARC) over the last two fiscal years; (***2***) changes in benefit provisions that shifted increases in health care costs to employees and retirees; (***3***) using a discount rate of 4.5 percent (instead of 6 percent used in prior valuations) in order to more conservatively fund the ARC due to current market volatility; (***4***) an actuarial change in trend assumption for Medicare retirees; (***5***) actuarial experience; and (***6***) a reduction in Annual Covered Payroll due to fewer employees eligible to receive post-retirement health benefits.

The following factors contributed to changes in the elements presented below in the Schedule of Funding Progress for the State Employee OPEB Plan from December 31, 2010 to December 31, 2012: (***1***) funding more than the Annual Required Contribution (ARC) over the last two years; (***2***) changing the amortization period from 25 years to 20 years; (***3***) healthcare trend assumptions decreased from a beginning rate of 9.5 percent to 8.5 percent; (***4***) average per capita claims costs are lower; and (***5***) active headcounts decreased 8.5 percent while retiree headcounts increased less than 2 percent.

The following schedules present the State of Utah's funding progress and required employer contributions for the State Post-Retirement Benefits Trust Fund from the recent actuarial valuation and the two preceding valuations (using the projected unit credit method):

State Employee OPEB Plan
Schedule of Funding Progress
By Valuation Date
(Expressed in Thousands)

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll
December 31, 2008.....	$ 53,851	$ 446,601	$ 392,750	12.06 %	$ 901,245	43.58 %
December 31, 2010.....	$ 106,605	$ 481,393	$ 374,788	22.15 %	$ 589,817	63.54 %
December 31, 2012……	$ 150,107	$ 408,661	$ 258,554	36.73 %	$ 496,491	52.08 %

State Employee OPEB Plan
Schedule of Employer Contributions
(Expressed in Thousands)

Year Ended	Annual Required Contributions	Percentage Contributed
June 30, 2008.....	$ 53,491	98.71 %
June 30, 2009.....	$ 53,491	100.00 %
June 30, 2010.....	$ 43,819	100.00 %
June 30, 2011.....	$ 43,819	100.00 %
June 30, 2012.....	$ 37,594	115.16 %
June 30, 2013.....	$ 37,594	101.27 %

The Elected Official Other Postemployment Benefit Plan (Elected Official OPEB Plan) is administered through the Elected Official Post-Retirement Benefits Trust Fund. Only governors and legislators that retire after January 1, 1998 and meet other specific eligibility criteria are eligible for this benefit.

The following factors contributed to the decrease in the Elected Official OPEB Plan Actuarial Accrued Liability (AAL) and the Unfunded Actuarial Accrued Liability (UAAL) from December 31, 2008 to December 31, 2010: (***1***) changes in claims, and changes in benefit provisions; (***2***) an actuarial change in trend assumption for Medicare retirees; and (***3***) actuarial experience.

The following factors contributed to the changes in the elements presented below in the Schedule of Funding Progress for the Elected Official OPEB Plan from December 31, 2010 to December 31, 2012: (***1***) creation of a trust and funding more than the Annual Required Contribution (ARC) over the last two years; (***2***) changing the amortization period from 30 years to 20 years; (***3***) changing the discount rate to 4.5 percent from 4 percent; (***4***) healthcare trend assumptions decreased from a beginning rate of 9.5 percent to 8.5 percent; and (***5***) average per capita claims costs are lower.

The following schedules present the State of Utah's funding progress and required contributions for the Elected Official Post-Retirement Benefits Trust Fund from the recent actuarial valuation and the two preceding valuations (using the projected unit credit method):

Elected Official OPEB Plan
Schedule of Funding Progress
By Valuation Date
(Expressed in Thousands)

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll
December 31, 2008.....	$ —	$ 24,515	$ 24,515	0.00 %	$ 866	2,830.83 %
December 31, 2010.....	$ —	$ 21,990	$ 21,990	0.00 %	$ 771	2,852.14 %
December 31, 2012.....	$ 5,302	$ 14,507	$ 9,205	36.55 %	$ 1,431	643.26 %

Elected Official OPEB Plan
Schedule of Employer Contributions
(Expressed in Thousands)

Year Ended	Annual Required Contributions	Percentage Contributed
June 30, 2012	$ 1,894	183.21 %
June 30, 2013	$ 1,894	107.18 %

(Required Supplementary Information continues on next page.)

INFORMATION ABOUT INFRASTRUCTURE ASSETS REPORTED USING THE MODIFIED APPROACH

As allowed by GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, the State has adopted an alternative to reporting depreciation on roads and bridges (infrastructure assets) maintained by the Utah Department of Transportation (UDOT). This includes infrastructure acquired prior to fiscal year 1981. Under this alternative method, referred to as the "modified approach," infrastructure assets are not depreciated, and maintenance and preservation costs are expensed.

In order to utilize the modified approach, the State is required to:

- Maintain an asset management system that includes an up-to-date inventory of eligible infrastructure assets.
- Perform and document replicable condition assessments of the eligible infrastructure assets and summarize the results using a measurement scale.
- Estimate each year the annual amount to maintain and preserve the eligible infrastructure assets at the condition level established and disclosed by the State.
- Document that the infrastructure assets are being preserved approximately at, or above the condition level established by the State.

Roads

UDOT uses the Pavement Management System to determine the condition of 5,719 centerline miles of state roads. The assessment is based on Ride Quality, using the International Roughness Index (IRI) data. This data is also reported to the Federal Highways Administration (FHWA) and used for the National Condition Assessment reported to Congress. Ranges for Good, Fair and Poor condition were established to correlate with the national FHWA ranges. Additional condition measures for age, wheel path rutting and surface cracking are considered in project recommendations.

Category	IRI Range	Description
Good	< 95	Pavements that provide a smooth ride and typically exhibit few signs of visible distress suitable for surface seals and preservation.
Fair	95 to 170	Pavements with noticeable deterioration beginning to affect the ride in need of resurfacing.
Poor	> 170	Pavements with an unacceptable ride that have deteriorated to such an extent that they are in need of major rehabilitation.

Condition Level – Roads

The State performs complete assessments on a calendar year basis. The State has established a three System Level priority (Interstate, Level 1 and Level 2) with individual condition targets for each system. The condition target is to maintain a certain percentage of the mileage at a "fair" or better rating. The Interstate target is 95 percent, Level 1 (with over 2,000 Average Annual Daily Traffic) at 90 percent, and Level 2 (with less than 2,000 Average Daily Annual Traffic) at 80 percent.

The following table reports the percentage of pavements with ratings of "fair" or better for the last three years for each system:

System	2012	2011	2010
Interstate System ...	99.5 %	98.3 %	97.9 %
Level 1 System	93.5 %	93.2 %	92.1 %
Level 2 System	82.1 %	82.7 %	82.1 %

The following table presents the State's estimated amounts needed to maintain and preserve roads at or above the established condition levels addressed above, and the amounts actually spent for each of the past five reporting periods (in thousands):

FISCAL YEAR	ESTIMATED SPENDING	ACTUAL SPENDING
2013	$ 194,720	$ 328,137
2012	$ 204,647	$ 371,133
2011	$ 249,071	$ 299,227
2010	$ 244,272	$ 349,451
2009	$ 296,443	$ 313,817

Bridges

UDOT uses the Structures Inventory System to monitor the condition of the 1,915 state-owned bridges. A number, ranging from 1 to 100, is calculated based on condition, geometry, functional use, safety, and other factors. Three categories of condition are established in relation to the number range as follows:

Category	Range	Description
Good	80 – 100	Preventive maintenance requirements include repair leaking deck joints, apply deck overlays and seals, place concrete sealers to splash zones, paint steel surfaces, and minor beam repairs.
Fair	50 – 79	Corrective repairs include deck, beam, and substructure repairs, fixing settled approaches, and repairing collision damage.
Poor	1 – 49	Major rehabilitation and replacement includes deck, beam, or substructure replacements or replacement of the entire bridge.

Condition Level – Bridges

The State performs complete assessments on an annual basis ending April 1 of each year. The established condition level is to maintain 50 percent of the bridges with a rating of "good" and no more than 15 percent with a rating of "poor." The following table reports the results of the bridges assessed for the past three years:

Rating	2013	2012	2011
Good	72.4 %	71.6 %	72.0 %
Poor.....	1.0 %	1.0 %	1.0 %

The following table presents the State's estimated amounts needed to maintain and preserve bridges at or above the established condition levels addressed above, and the amounts actually spent for each of the past five reporting periods (in thousands):

FISCAL YEAR	ESTIMATED SPENDING	ACTUAL SPENDING
2013	$ 34,362	$ 57,907
2012	$ 36,114	$ 65,494
2011	$ 43,954	$ 52,805
2010	$ 43,107	$ 61,668
2009	$ 52,314	$ 55,379

SUPPLEMENTARY INFORMATION

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Nonmajor Governmental Funds

State Endowment Fund

This fund accounts for a portion of proceeds relating to the State's settlement agreement with major tobacco manufacturers, severance tax revenue in excess of statutory base amounts, and money or other assets authorized under any provision of law. The principal of the fund cannot be appropriated except by a three-fourths vote of both houses of the Legislature and with the concurrence of the Governor. One-half of all interest and dividends earned on tobacco settlement proceeds in this fund is deposited in the General Fund.

Environmental Reclamation

This fund consists of various programs aimed at preserving open land, improving irrigation in the State, funding recycling programs, and funding cleanup and reclamation projects. Funds received are from state appropriations, fees and fines, recovered liens and costs, and voluntary contributions.

Crime Victim Reparation

This fund accounts for court-ordered restitution and a surcharge on criminal fines, penalties, and forfeitures. Monies deposited in this fund are for victim reparations, other victim services, and, as appropriated, costs of administering the fund.

Universal Telephone Services

This fund is designed to preserve and promote universal telephone service throughout the State by ensuring that all citizens have access to affordable basic telephone service. Revenues come from surcharges on customers' phone bills and from fines and penalties levied against telephone service providers by the Public Service Commission.

Consumer Education Fund

This fund accounts for revenues and expenditures associated with educating and training Utah residents in various consumer matters. Funding is provided through the assessment and collection of fines and penalties from various regulated professions.

Rural Development Fund

This fund promotes various programs in rural areas of the State including construction of communications systems and economic development grants to Native American tribes. Funding comes from oil and gas severance taxes and from royalties on mineral extractions on federal land within the State.

State Capitol Fund

This fund was created to account for the funding and operations of the State Capitol Preservation Board. Funds are used in part to pay for repairs and maintenance of Capitol Hill facilities and grounds. Funding is provided through fees and private donations.

Miscellaneous Special Revenue

This fund is made up of individual small funds set up to account for various revenue sources that are legally restricted to expenditures for specific purposes.

Capital Projects – General Government

This fund accounts for resources used for capital outlays including the acquisition or construction of major capital facilities for use by the State and its component units. The fund receives financial resources from the proceeds of general obligation bonds, legislative appropriations, and intergovernmental revenues.

Capital Projects – State Building Ownership Authority *(Blended Component Unit)*

This fund accounts for resources used for capital outlays including the acquisition or construction of major capital facilities for use by various state agencies. The fund receives financial resources from the proceeds of lease revenue bonds issued by the Authority and the interest earned on the proceeds of the bonds.

Debt Service – General Government

This fund accounts for the payment of principal and interest on the State's general obligation bonds. The fund receives most of its financial resources from appropriations made by the Legislature.

Debt Service – State Building Ownership Authority *(Blended Component Unit)*

This fund accounts for the payment of principal and interest on lease revenue bonds issued by the Authority. The fund receives financial resources from rent payments made by various state agencies occupying the facilities owned by the Authority. The fund also receives capital lease payments from certain college and university component units.

Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2013 (Expressed in Thousands)

	Special Revenue			
	State Endowment	Environmental Reclamation	Crime Victim Reparation	Universal Telephone Services
ASSETS				
Cash and Cash Equivalents	$ 112	$ 1,780	$ 500	$ 3,107
Investments	137,138	24,153	2,539	—
Receivables:				
Accounts, net	—	1	—	—
Accrued Interest	—	—	—	—
Capital Lease Payments, net	—	—	—	—
Due From Other Funds	—	76	—	—
Due From Component Units	—	—	—	—
Total Assets	$ 137,250	$ 26,010	$ 3,039	$ 3,107
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable and Accrued Liabilities	$ —	$ 3,101	$ 1	$ —
Due To Other Funds	—	—	—	238
Unearned Revenue	—	—	—	—
Total Liabilities	0	3,101	1	238
Fund Balances:				
Nonspendable:				
Restricted	—	21,638	—	2,869
Committed	137,250	1,271	3,038	—
Assigned	—	—	—	—
Total Fund Balances	137,250	22,909	3,038	2,869
Total Liabilities and Fund Balances	$ 137,250	$ 26,010	$ 3,039	$ 3,107

Special Revenue				Capital Projects	
Consumer Education	Rural Development	State Capitol	Miscellaneous Special Revenue	General Government	State Building Ownership Authority
$ 767	$ 3,424	$ 615	$ —	$ 50,055	$ —
4,085	34,222	1,279	11,335	48,631	3,102
107	—	13	16,432	210	—
—	—	—	—	—	3
—	—	—	—	—	—
9	—	19	7	1,643	—
—	—	—	—	59,184	—
$ 4,968	$ 37,646	$ 1,926	$ 27,774	$ 159,723	$ 3,105
$ 104	$ 17	$ 6	$ 1,590	$ 57,992	$ 115
81	1,248	7	1,039	947	1,439
—	—	16	3,720	—	—
185	1,265	29	6,349	58,939	1,554
—	—	1,113	14,994	47,199	1,549
4,783	36,381	784	6,361	—	—
—	—	—	70	53,585	2
4,783	36,381	1,897	21,425	100,784	1,551
$ 4,968	$ 37,646	$ 1,926	$ 27,774	$ 159,723	$ 3,105

Continues

Combining Balance Sheet
Nonmajor Governmental Funds

Continued

June 30, 2013 (Expressed in Thousands)

	Debt Service		Total Nonmajor Governmental Funds
	General Government	State Building Ownership Authority	
ASSETS			
Cash and Cash Equivalents	$ 84,163	$ 4,166	$ 148,689
Investments	7,141	4,940	278,565
Receivables:			
Accounts, net	—	63	16,826
Accrued Interest	4	1	8
Capital Lease Payments, net	—	103,620	103,620
Due From Other Funds	—	—	1,754
Due From Component Units	—	—	59,184
Total Assets	$ 91,308	$ 112,790	$ 608,646
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable and Accrued Liabilities	$ 72,901	$ —	$ 135,827
Due To Other Funds	11,722	7,426	24,147
Unearned Revenue	—	103,620	107,356
Total Liabilities	84,623	111,046	267,330
Fund Balances:			
Nonspendable:			
Restricted	—	—	89,362
Committed	—	—	189,868
Assigned	6,685	1,744	62,086
Total Fund Balances	6,685	1,744	341,316
Total Liabilities and Fund Balances	$ 91,308	$ 112,790	$ 608,646

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Combining Statement Of Revenues, Expenditures, And Changes In Fund Balances Nonmajor Governmental Funds

For the Fiscal Year Ended June 30, 2013 (Expressed in Thousands)

	Special Revenue			
	State Endowment	Environmental Reclamation	Crime Victim Reparation	Universal Telephone Services
REVENUES				
Taxes:				
Sales and Use Tax	$ —	$ —	$ —	$ —
Other Taxes	—	—	—	—
Total Taxes	0	0	0	0
Other Revenues:				
Federal Contracts and Grants	—	—	1,768	—
Charges for Services	—	2,952	7,065	10,990
Intergovernmental	—	—	—	—
Investment Income	13,711	140	20	—
Miscellaneous and Other	—	152	—	—
Total Revenues	13,711	3,244	8,853	10,990
EXPENDITURES				
Current:				
General Government	—	—	6,809	—
Human Services and Juvenile Justice Services	—	—	—	—
Corrections	—	—	—	—
Public Safety	—	—	—	—
Health and Environmental Quality	—	5,609	—	—
Higher Education – Colleges and Universities	—	—	—	—
Employment and Family Services	—	—	—	—
Natural Resources	—	—	—	—
Heritage and Arts	—	—	—	—
Business, Labor, and Agriculture	—	9	—	9,386
Public Education	—	—	—	—
Transportation	—	—	—	—
Capital Outlay	—	—	—	—
Debt Service:				
Principal Retirement	—	—	—	—
Interest and Other Charges	—	—	—	—
Total Expenditures	0	5,618	6,809	9,386
Excess Revenues Over (Under) Expenditures	13,711	(2,374)	2,044	1,604
OTHER FINANCING SOURCES (USES)				
General Obligation Bonds Issued	—	—	—	—
Revenue Bonds Issued	—	—	—	—
Refunding Bonds Issued	—	—	—	—
Premium on Bonds Issued	—	—	—	—
Payment to Refunded Bond Escrow Agent	—	—	—	—
Capital Leases/Contracts Issued	—	—	—	—
Transfers In	—	400	—	—
Transfers Out	—	(128)	(3,742)	—
Total Other Financing Sources (Uses)	0	272	(3,742)	0
Net Change in Fund Balances	13,711	(2,102)	(1,698)	1,604
Fund Balances – Beginning	123,539	25,011	4,736	1,265
Fund Balances – Ending	$ 137,250	$ 22,909	$ 3,038	$ 2,869

Special Revenue				Capital Projects	
Consumer Education	Rural Development	State Capitol	Miscellaneous Special Revenue	General Government	State Building Ownership Authority
$ —	$ —	$ —	$ 4,082	$ —	$ —
—	8,918	—	3,468	—	—
0	8,918	0	7,550	0	0
—	—	—	27,526	—	—
4,079	—	443	50,353	—	—
—	—	—	—	32,704	—
27	199	8	255	349	83
1	—	10	4,330	545	—
4,107	9,117	461	90,014	33,598	83
—	—	833	6,816	20,092	—
—	—	—	234	2,996	—
—	—	—	—	2,590	—
—	—	—	30,814	3,379	—
—	—	—	50	388	—
—	—	—	—	19,534	—
—	—	—	15	854	—
—	—	—	—	626	—
—	4,916	—	903	—	—
1,493	—	—	50	199	—
—	—	—	23	513	—
—	—	—	1	568	—
—	—	—	—	164,096	10,828
—	—	—	—	—	—
—	—	—	—	—	—
1,493	4,916	833	38,906	215,835	10,828
2,614	4,201	(372)	51,108	(182,237)	(10,745)
—	—	—	—	33,240	—
—	—	—	—	—	1,900
—	—	—	—	—	—
—	—	—	—	6,295	10
—	—	—	—	—	—
—	—	—	—	2,824	—
—	—	—	100	103,948	—
(2,259)	—	—	(48,689)	(2,976)	(125)
(2,259)	0	0	(48,589)	143,331	1,785
355	4,201	(372)	2,519	(38,906)	(8,960)
4,428	32,180	2,269	18,906	139,690	10,511
$ 4,783	$ 36,381	$ 1,897	$ 21,425	$ 100,784	$ 1,551

Continues

Combining Statement Of Revenues, Expenditures, And Changes In Fund Balances Nonmajor Governmental Funds

Continued

For the Fiscal Year Ended June 30, 2013 (Expressed in Thousands)

	Debt Service		Total Nonmajor Governmental Funds
	General Government	State Building Ownership Authority	
REVENUES			
Taxes:			
Sales and Use Tax	$ —	$ —	$ 4,082
Other Taxes	—	—	12,386
Total Taxes	0	0	16,468
Other Revenues:			
Federal Contracts and Grants	14,589	1,671	45,554
Charges for Services	—	—	75,882
Intergovernmental	—	—	32,704
Investment Income	1	7	14,800
Miscellaneous and Other	—	22,232	27,270
Total Revenues	14,590	23,910	212,678
EXPENDITURES			
Current:			
General Government	—	—	34,550
Human Services and Juvenile Justice Services	—	—	3,230
Corrections	—	—	2,590
Public Safety	—	—	34,193
Health and Environmental Quality	—	—	6,047
Higher Education – Colleges and Universities	—	—	19,534
Employment and Family Services	—	—	869
Natural Resources	—	—	626
Heritage and Arts	—	—	5,819
Business, Labor, and Agriculture	—	—	11,137
Public Education	—	—	536
Transportation	—	—	569
Capital Outlay	—	—	174,924
Debt Service:			
Principal Retirement	295,470	13,798	309,268
Interest and Other Charges	143,328	11,144	154,472
Total Expenditures	438,798	24,942	758,364
Excess Revenues Over (Under) Expenditures	(424,208)	(1,032)	(545,686)
OTHER FINANCING SOURCES (USES)			
General Obligation Bonds Issued	—	—	33,240
Revenue Bonds Issued	—	—	1,900
Refunding Bonds Issued	4,110	18,502	22,612
Premium on Bonds Issued	594	1,447	8,346
Payment to Refunded Bond Escrow Agent	(4,522)	(19,836)	(24,358)
Capital Leases/Contracts Issued	—	—	2,824
Transfers In	442,352	348	547,148
Transfers Out	(15,475)	—	(73,394)
Total Other Financing Sources (Uses)	427,059	461	518,318
Net Change in Fund Balances	2,851	(571)	(27,368)
Fund Balances – Beginning	3,834	2,315	368,684
Fund Balances – Ending	$ 6,685	$ 1,744	$ 341,316

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Detail Schedule of Expenditures
Budget and Actual Comparison
General Fund

For the Fiscal Year Ended June 30, 2013 (Expressed in Thousands)

Appropriation Line Item Name	Source of Funding: State Funds	Federal Funds	Restricted and Other Funds	Final Budget
GENERAL GOVERNMENT				
Legislature				
Senate	$ 3,045	$ —	$ —	$ 3,045
House	5,379	—	—	5,379
Printing	738	—	170	908
Research and General Counsel	9,354	—	—	9,354
Tax Review Commission	48	—	—	48
Constitutional Revision Commission	52	—	—	52
Fiscal Analyst	3,303	—	—	3,303
Auditor General	4,061	—	—	4,061
Total Legislature	25,980	0	170	26,150
Elected Officials				
State Treasurer	$ 2,668	$ —	$ 463	$ 3,131
GOV – Administrative Office	5,737	130	1,009	6,876
GOV – Planning and Budget	5,855	—	—	5,855
GOV – Public Lands Litigation	2,045	—	—	2,045
GOV – Lt. Governor Character Education	364	—	—	364
GOV – Criminal and Juvenile Justice	10,062	10,051	141	20,254
GOV – CCJJ - Factual Innocence	52	—	—	52
GOV – Emergency Fund	75	—	—	75
GOV – LaRay McAllister Program	1,273	—	—	1,273
GOV – Pete Suazo Athletic Commission	239	—	61	300
GOV – Economic Development Administration	6,724	414	213	7,351
GOV – Office of Tourism	17,711	—	239	17,950
GOV – Business Development	11,349	683	130	12,162
GOV – Inspector General of Medical Services	1,630	—	1,174	2,804
GOV – Industrial Assistance Fund	4,427	—	—	4,427
GOV – Office of Energy Development	1,294	3,594	144	5,032
GOV – Constitutional Defense Council	1,759	—	—	1,759
USTAR	30,914	—	136	31,050
Attorney General	32,156	1,650	17,573	51,379
AG – Contract Attorneys	13,626	—	1,889	15,515
AG – Prosecution Council	673	121	252	1,046
AG – Domestic Violence	78	—	—	78
AG – Children's Justice Centers	3,600	214	259	4,073
State Auditor	3,763	—	1,666	5,429
Total Elected Officials	158,074	16,857	25,349	200,280
Government Operations				
Capitol Preservation Board	$ 3,567	$ —	$ —	$ 3,567
DAS – Executive Director	799	—	—	799
DAS – Administrative Rules	373	—	—	373
DAS – DFCM Administration	5,285	—	620	5,905
DAS – State Archives	2,137	—	84	2,221
DAS – Finance Administration	9,289	—	1,637	10,926
DAS – Inspector General of Medicaid	255	—	—	255
DAS – Post Conviction Indigent Defense	141	—	—	141
DAS – Finance Mandated	39,544	—	—	39,544
DAS – Judicial Conduct Commission	236	—	—	236
DAS – Purchasing	761	—	—	761
Tax Commission – Administration	72,669	484	9,220	82,373
TAX – License Plates Production	2,183	—	1,908	4,091
TAX – Liquor Profit Distribution	5,118	—	—	5,118

Actual Expenditures	Lapse to Unrestricted	Lapse to Restricted and Other	Nonlapse or (Deficit) Carry Forward
$ 2,088	$ —	$ —	$ 957
3,600	—	—	1,779
771	—	—	137
8,148	—	—	1,206
48	—	—	—
52	—	—	—
2,595	—	—	708
3,316	—	—	745
20,618	0	0	5,532
$ 2,648	$ 104	$ 79	$ 300
6,127	—	212	537
3,913	—	—	1,942
437	—	—	1,608
149	—	—	215
17,934	—	457	1,863
44	—	—	8
19	—	—	56
778	—	—	495
179	—	—	121
6,639	—	—	712
15,135	—	—	2,815
9,936	11	—	2,215
2,217	—	—	587
4,427	—	—	—
4,663	—	—	369
286	—	—	1,473
30,447	—	—	603
47,512	—	307	3,560
15,739	—	—	(224)
995	—	43	8
78	—	—	—
3,592	—	—	481
5,001	—	—	428
178,895	115	1,098	20,172
$ 3,567	$ —	$ —	$ —
689	—	—	110
372	—	—	1
5,191	—	106	608
2,218	—	—	3
9,446	39	—	1,441
255	—	—	—
91	—	—	50
18,334	—	18,590	2,620
236	—	—	—
761	—	—	—
72,252	—	—	10,121
2,381	—	—	1,710
5,118	—	—	—

Continues

Detail Schedule of Expenditures Budget and Actual Comparison General Fund

Continued

For the Fiscal Year Ended June 30, 2013 (Expressed in Thousands)

Appropriation Line Item Name	Source of Funding: State Funds	Federal Funds	Restricted and Other Funds	Final Budget
Government Operations (Continued)				
DAS – Rural Health Care	555	—	—	555
Human Resource Management	3,534	—	155	3,689
Career Service Review Board	262	—	—	262
DTS – Chief Information Officer	561	—	2	563
DTS – Integrated Technology	2,149	—	1,925	4,074
Total Government Operations	149,418	484	15,551	165,453
Total General Government	$ 333,472	$ 17,341	$ 41,070	$ 391,883
HUMAN SERVICES				
Administration	$ 7,109	$ 5,667	$ 1,041	$ 13,817
Substance Abuse and Mental Health	94,270	25,152	12,652	132,074
Services for People with Disabilities	66,659	1,347	149,827	217,833
Recovery Services	12,535	17,957	11,493	41,985
Child and Family Services	112,847	55,047	(3,227)	164,667
Juvenile Justice Services	86,919	3,732	1,419	92,070
Aging and Adult Services	12,768	10,861	(725)	22,904
Total Human Services	$ 393,107	$ 119,763	$ 172,480	$ 685,350
CORRECTIONS				
Department of Corrections				
Programs and Operations	$ 206,705	$ 531	$ 5,075	$ 212,311
Medical Services	28,354	—	536	28,890
Jail Contracting	27,771	—	—	27,771
Total Department of Corrections	262,830	531	5,611	268,972
Board of Pardons and Parole				
Board of Pardons and Parole	$ 4,298	$ —	$ 1	$ 4,299
Total Board of Pardons and Parole	4,298	0	1	4,299
Total Corrections	$ 267,128	$ 531	$ 5,612	$ 273,271
PUBLIC SAFETY				
Department of Public Safety				
Programs and Operations	$ 105,721	$ 1,443	$ 22,126	$ 129,290
Emergency Services and Homeland Security	3,489	22,036	384	25,909
Emergency and Disaster Management	3,003	—	—	3,003
Peace Officer's Standards and Training	4,066	—	32	4,098
Driver License	36,166	1,527	64	37,757
Highway Safety	1,055	4,489	50	5,594
Total Department of Public Safety	153,500	29,495	22,656	205,651
Utah National Guard				
Utah National Guard Administration	$ 5,980	$ 44,634	$ 64	$ 50,678
Total Utah National Guard	5,980	44,634	64	50,678

Actual Expenditures	Lapse to Unrestricted	Lapse to Restricted and Other	Nonlapse or (Deficit) Carry Forward
219	—	336	—
2,600	495	—	594
208	39	—	15
554	—	—	9
3,807	—	—	267
128,299	573	19,032	17,549
$ 327,812	$ 688	$ 20,130	$ 43,253
$ 13,801	$ 16	$ —	$ —
131,452	237	130	255
214,916	—	200	2,717
41,982	3	—	—
158,847	—	129	5,691
90,872	—	—	1,198
22,841	63	—	—
$ 674,711	$ 319	$ 459	$ 9,861
$ 190,378	$ —	$ 757	$ 21,176
28,365	—	—	525
26,864	—	—	907
245,607	0	757	22,608
$ 3,779	$ 20	$ —	$ 500
3,779	20	0	500
$ 249,386	$ 20	$ 757	$ 23,108
$ 106,556	$ —	$ 2,826	$ 19,908
24,221	—	1,417	271
—	—	—	3,003
3,798	—	288	12
29,665	—	698	7,394
5,318	—	—	276
169,558	0	5,229	30,864
$ 50,622	$ —	$ —	$ 56
50,622	0	0	56

Continues

Detail Schedule of Expenditures Budget and Actual Comparison General Fund

Continued

For the Fiscal Year Ended June 30, 2013 (Expressed in Thousands)

Appropriation Line Item Name	Source of Funding: State Funds	Federal Funds	Restricted and Other Funds	Final Budget
Department of Veteran's Affairs				
Veteran's Affairs	$ 1,780	$ 1,051	$ 239	$ 3,070
Total Department of Veteran's Affairs	1,780	1,051	239	3,070
Total Public Safety	$ 161,260	$ 75,180	$ 22,959	$ 259,399
STATE COURTS				
Judicial Council	$ 102,799	$ 530	$ 2,155	$ 105,484
Grand Jury	1	—	—	1
Contracts and Leases	19,085	—	254	19,339
Jury and Witness Fees	1,542	—	6	1,548
Guardian Ad Litem	6,108	—	150	6,258
Total State Courts	$ 129,535	$ 530	$ 2,565	$ 132,630
HEALTH and ENVIRONMENTAL QUALITY				
Department of Health	$ 4,932	$ 6,246	$ 2,940	$ 14,118
DOH – Disease Control and Prevention	20,574	28,834	12,233	61,641
DOH – Community and Family Health Services	21,267	75,522	24,143	120,932
DOH – Health Care Financing	5,769	55,783	37,784	99,336
DOH – Medical Assistance	351,229	814,506	18,269	1,184,004
DOH – Medicaid Optional Services	122,195	564,916	252,392	939,503
DOH – Medicaid MIS Replacement	5,261	7,874	—	13,135
DOH – Local Health Department	2,122	—	—	2,122
DOH – Children's Health Insurance Program	15,922	56,226	2,199	74,347
DOH – Workforce Assistance	48	—	—	48
DOH – Medicaid Sanctions	983	—	—	983
DOH – Credit Monitoring	922	—	—	922
DOH – Commodities	—	23,867	—	23,867
Department of Environmental Quality	2,759	198	2,236	5,193
DEQ – Air Quality	3,911	3,663	4,431	12,005
DEQ – Environmental Response and Remediation	3,035	3,680	178	6,893
DEQ – Radiation Control	3,520	19	287	3,826
DEQ – Water Quality	4,395	4,055	2,270	10,720
DEQ – Drinking Water	1,376	3,405	(117)	4,664
DEQ – Solid and Hazardous Waste	4,129	1,278	1,029	6,436
Total Health and Environmental Quality	$ 574,349	$ 1,650,072	$ 360,274	$ 2,584,695
HIGHER EDUCATION				
Board of Regents	$ 2,789	$ 1,923	$ —	$ 4,712
REG – Student Support	1,566	—	—	1,566
REG – Economic Development	2,851	—	—	2,851
REG – Student Assistance	13,907	—	—	13,907
REG – Technology	8,134	—	—	8,134
REG – Education Excellence	1,600	—	—	1,600
U of U – Education and General	197,838	—	226,923	424,761
U of U – Educationally Disadvantaged	674	—	—	674
U of U – School of Medicine	20,619	—	19,230	39,849
U of U – University Hospital	4,538	—	—	4,538
U of U – Regional Dental Education	525	—	316	841
U of U – Tele Health Network	451	—	—	451
U of U – Public Service	2,806	—	—	2,806
U of U – Statewide TV Administration	2,382	—	—	2,382

Actual Expenditures	Lapse to Unrestricted	Lapse to Restricted and Other	Nonlapse or (Deficit) Carry Forward
$ 2,539	$ —	$ —	$ 531
2,539	0	0	531
$ 222,719	$ 0	$ 5,229	$ 31,451
$ 102,505	$ —	$ 1,324	$ 1,655
1	—	—	—
19,090	—	—	249
2,410	—	—	(862)
5,832	—	—	426
$ 129,838	$ 0	$ 1,324	$ 1,468
$ 13,909	$ 9	$ 110	$ 90
60,454	60	151	976
116,816	—	2,485	1,631
98,313	548	—	475
1,160,054	—	—	23,950
925,450	—	—	14,053
9,482	—	—	3,653
2,122	—	—	—
72,722	—	222	1,403
33	—	—	15
—	—	—	983
809	113	—	—
23,867	—	—	—
4,470	—	—	723
11,929	—	76	—
6,426	—	467	—
3,391	—	435	—
10,585	—	135	—
4,560	—	104	—
5,191	—	1,245	—
$ 2,530,583	$ 730	$ 5,430	$ 47,952
$ 4,712	$ —	$ —	$ —
1,566	—	—	—
2,851	—	—	—
13,907	—	—	—
8,134	—	—	—
1,600	—	—	—
424,761	—	—	—
674	—	—	—
39,849	—	—	—
4,538	—	—	—
841	—	—	—
451	—	—	—
2,806	—	—	—
2,382	—	—	—

Continues

Detail Schedule of Expenditures Budget and Actual Comparison General Fund

Continued

For the Fiscal Year Ended June 30, 2013 (Expressed in Thousands)

Appropriation Line Item Name	Source of Funding: State Funds	Source of Funding: Federal Funds	Source of Funding: Restricted and Other Funds	Final Budget
HIGHER EDUCATION (Continued)				
U of U – Health Sciences	10,562	—	6,000	16,562
U of U – Occupational Health	151	—	—	151
U of U – Poison Control Center	—	—	2,700	2,700
U of U – Center on Aging	100	—	—	100
USU – Education and General	109,296	—	80,048	189,344
USU – Educationally Disadvantaged	258	—	—	258
USU – Water Research Laboratory	4,917	—	—	4,917
USU – Agricultural Experiment Station	11,909	2,625	—	14,534
USU – Cooperative Extension Service	11,979	2,394	—	14,373
USU – Uintah Basin CEC	4,057	—	2,161	6,218
USU – Southeastern Utah CEC	756	—	1,234	1,990
USU – Eastern Education and General	12,125	—	2,410	14,535
USU – Eastern Educationally Disadvantaged	105	—	—	105
USU – Eastern Career and Technical Education	1,308	—	80	1,388
USU – Eastern Prehistoric Museum	251	—	—	251
USU – San Juan Center	2,264	—	1,160	3,424
USU – Brigham City CEC	1,813	—	21,196	23,009
USU – Tooele CEC	2,351	—	8,425	10,776
Weber – Education and General	62,606	—	65,285	127,891
Weber – Educationally Disadvantaged	345	—	—	345
SUU – Education and General	29,982	—	35,808	65,790
SUU – Educationally Disadvantaged	90	—	—	90
SUU – Shakespeare Festival	22	—	—	22
SUU – Rural Development	96	—	—	96
Snow College – Education and General	17,744	—	8,970	26,714
Snow College – Educationally Disadvantaged	32	—	—	32
Snow College – Career Technology Education	1,265	—	—	1,265
Dixie – Education and General	21,924	—	23,491	45,415
Dixie – Educationally Disadvantaged	26	—	—	26
Dixie – Zion Park Amphitheatre	51	—	38	89
UVU – Education and General	62,082	—	96,576	158,658
UVU – Educationally Disadvantaged	158	—	—	158
SLCC – Education and General	58,463	—	57,056	115,519
SLCC – Educationally Disadvantaged	178	—	—	178
SLCC – School of Applied Technology	5,881	—	960	6,841
Utah College of Applied Technology	4,800	—	—	4,800
UCAT – Bridgerland	9,146	—	—	9,146
UCAT – Davis	9,948	—	—	9,948
UCAT – Ogden/Weber	10,743	—	—	10,743
UCAT – Uintah Basin	5,192	—	—	5,192
UCAT – Mountainland	5,311	—	—	5,311
UCAT – Southwest	2,462	—	—	2,462
UCAT – Dixie	2,272	—	—	2,272
UCAT – Tooele	1,337	—	—	1,337
Utah Education Network	17,411	—	—	17,411
Medical Education Council	1,202	—	518	1,720
Total Higher Education	$ 765,651	$ 6,942	$ 660,585	$ 1,433,178

Actual Expenditures	Lapse to Unrestricted	Lapse to Restricted and Other	Nonlapse or (Deficit) Carry Forward
16,562	—	—	—
97	—	54	—
2,700	—	—	—
100	—	—	—
189,344	—	—	—
258	—	—	—
4,663	—	254	—
14,534	—	—	—
14,373	—	—	—
6,218	—	—	—
1,990	—	—	—
14,535	—	—	—
105	—	—	—
1,388	—	—	—
251	—	—	—
3,424	—	—	—
23,009	—	—	—
10,776	—	—	—
127,891	—	—	—
345	—	—	—
65,790	—	—	—
90	—	—	—
22	—	—	—
96	—	—	—
26,714	—	—	—
32	—	—	—
1,265	—	—	—
45,415	—	—	—
26	—	—	—
89	—	—	—
158,658	—	—	—
158	—	—	—
115,519	—	—	—
178	—	—	—
6,841	—	—	—
4,800	—	—	—
9,146	—	—	—
9,948	—	—	—
10,743	—	—	—
5,192	—	—	—
5,311	—	—	—
2,462	—	—	—
2,272	—	—	—
1,337	—	—	—
17,411	—	—	—
1,720	—	—	—
$ 1,432,870	$ 0	$ 308	$ 0

Continues

Detail Schedule of Expenditures Budget and Actual Comparison General Fund

Continued

For the Fiscal Year Ended June 30, 2013 (Expressed in Thousands)

Appropriation Line Item Name	Source of Funding: State Funds	Federal Funds	Restricted and Other Funds	Final Budget
WORKFORCE SERVICES				
Administration	$ 3,316	$ 7,457	$ 1,105	$ 11,878
Operations and Policy	76,001	561,825	26,971	664,797
General Assistance	5,414	—	—	5,414
Unemployment Insurance Adminstration	880	18,223	411	19,514
Housing and Community Development	6,913	40,186	1,498	48,597
HCD Capital Budget	43,368	—	—	43,368
HCD Zoos	908	—	—	908
HCD Special Districts	6,405	—	—	6,405
CDBG Loan Advances	10	—	—	10
Total Workforce Services	$ 143,215	$ 627,691	$ 29,985	$ 800,891
NATURAL RESOURCES				
Department of Natural Resources	$ 3,360	$ —	$ —	$ 3,360
Building Operations	1,692	—	—	1,692
Forestry, Fire, and State Lands	31,344	6,985	6,720	45,049
Oil, Gas, and Mining	6,652	6,292	152	13,096
Wildlife Resources	40,812	9,838	282	50,932
Species Protection	606	—	2,450	3,056
Watershed Development	2,129	—	500	2,629
Contributed Research	—	—	2,210	2,210
Cooperative Environmental Studies	—	10,434	14,227	24,661
Parks and Recreation	26,761	1,481	737	28,979
Parks and Recreation – Capital Development	8,090	1,579	672	10,341
Utah Geological Survey	7,120	629	1,601	9,350
Water Resources	5,650	—	150	5,800
Wildlife Resources – Capital Development	1,677	750	—	2,427
Water Rights	7,800	32	1,735	9,567
Public Lands Policy Office	3,504	—	—	3,504
Total Natural Resources	$ 147,197	$ 38,020	$ 31,436	$ 216,653
HERITAGE and ARTS				
Heritage and Arts Administration	$ 4,434	$ 1,824	$ 45	$ 6,303
Indian Affairs	254	—	39	293
State History	2,257	726	54	3,037
Historical Society	60	—	43	103
Arts and Museums	5,136	675	398	6,209
Museum Services	271	—	—	271
State Library	4,370	2,353	1,860	8,583
Total Heritage and Arts	$ 16,782	$ 5,578	$ 2,439	$ 24,799

Actual Expenditures	Lapse to Unrestricted	Lapse to Restricted and Other	Nonlapse or (Deficit) Carry Forward
$ 11,830	$ 48	$ —	$ —
658,684	92	1,877	4,144
5,242	—	—	172
19,502	—	12	—
46,583	543	471	1,000
43,368	—	—	—
908	—	—	—
6,405	—	—	—
10	—	—	—
$ 792,532	$ 683	$ 2,360	$ 5,316
$ 3,126	$ 9	$ —	$ 225
1,692	—	—	—
35,266	5	142	9,636
11,437	—	8	1,651
49,914	25	873	120
3,045	—	11	—
1,982	—	—	647
2,210	—	—	—
24,661	—	—	—
26,623	—	1,863	493
3,356	—	—	6,985
8,218	—	623	509
5,520	—	141	139
1,796	—	631	—
8,953	—	—	614
2,047	—	1,175	282
$ 189,846	$ 39	$ 5,467	$ 21,301
$ 5,158	$ 389	$ —	$ 756
242	—	—	51
3,030	7	—	—
41	—	—	62
4,503	—	—	1,706
271	—	—	—
8,291	—	—	292
$ 21,536	$ 396	$ 0	$ 2,867

Continues

Detail Schedule of Expenditures Budget and Actual Comparison General Fund

Continued

For the Fiscal Year Ended June 30, 2013 (Expressed in Thousands)

Appropriation Line Item Name	Source of Funding: State Funds	Source of Funding: Federal Funds	Source of Funding: Restricted and Other Funds	Final Budget
BUSINESS, LABOR, and AGRICULTURE				
Department of Agriculture and Food	$ 11,265	$ 4,269	$ 4,731	$ 20,265
AGR – Building Operations	305	—	—	305
AGR – Utah State Fair	675	—	—	675
AGR – Predatory Animal Control	1,622	—	600	2,222
AGR – Invasive Species Mitigation	1,000	—	—	1,000
AGR – Rangeland Improvement	2,352	—	—	2,352
AGR – Resource Conservation	1,688	—	19	1,707
Labor Commission	9,711	2,858	12	12,581
Department of Commerce	24,295	233	744	25,272
COM – Building Inspector Training	779	—	308	1,087
COM – Public Utilities – Professional Services	2,526	—	—	2,526
COM – Consumer Services – Professional Services	2,251	—	—	2,251
Financial Institutions	6,542	—	—	6,542
Insurance Department	11,573	1,037	1	12,611
Comprehensive Health Insurance Pool	8,084	—	—	8,084
Bail Bond Program	24	—	—	24
Title Insurance Program	92	—	—	92
Risk Adjuster	285	—	—	285
Public Service Commission	2,311	1,554	79	3,944
PSC – Speech and Hearing Impaired	1,957	—	2,110	4,067
Total Business, Labor, and Agriculture	$ 89,337	$ 9,951	$ 8,604	$ 107,892
TOTAL GENERAL FUND				
Total Expenditures	$ 3,021,033	$ 2,551,599	$ 1,338,009	$ 6,910,641

Actual Expenditures	Lapse to Unrestricted	Lapse to Restricted and Other	Nonlapse or (Deficit) Carry Forward
$ 19,213	$ —	$ 150	$ 902
305	—	—	—
675	—	—	—
1,804	54	164	200
898	—	—	102
1,390	—	3	959
1,585	—	47	75
12,014	4	563	—
23,398	6	540	1,328
224	—	—	863
436	—	—	2,090
304	—	—	1,947
6,183	—	359	—
10,544	—	742	1,325
8,084	—	—	—
17	—	7	—
84	—	1	7
—	—	147	138
3,539	—	—	405
950	—	—	3,117
$ 91,647	$ 64	$ 2,723	$ 13,458
$ 6,663,480	$ 2,939	$ 44,187	$ 200,035

Detail Schedule of Expenditures—Budget and Actual Comparison
Education Fund, Transportation Fund,
Transportation Investment Fund, and Debt Service Funds

For the Fiscal Year Ended June 30, 2013 (Expressed in Thousands)

Appropriation Line Item Name	Source of Funding: State Funds	Source of Funding: Federal Funds	Source of Funding: Restricted and Other Funds	Final Budget
EDUCATION FUND				
Office of Education				
State Office of Education	$ 43,877	$ 283,409	$ 6,710	$ 333,996
State Office of Rehabilitation	18,709	61,615	777	81,101
Child Nutrition	140	146,484	34,686	181,310
Fine Arts Outreach	3,075	—	—	3,075
Educational Contracts	3,305	—	—	3,305
Charter School Board	3,291	—	—	3,291
Science Outreach	2,125	—	—	2,125
Educator Licensing	2,189	—	—	2,189
Initiative Programs	29,053	—	—	29,053
Basic School Program	1,910,640	2,944	—	1,913,584
Related to Basic Programs	478,254	—	—	478,254
Voted and Board Leeway Programs	94,599	—	—	94,599
School Building Programs	14,500	—	—	14,500
Teacher Salary Supplement	5,731	—	—	5,731
Commodities	—	15,247	—	15,247
Indirect Cost Pool	—	—	4,230	4,230
Total Office of Education	2,609,488	509,699	46,403	3,165,590
Schools for the Deaf and the Blind				
Schools for the Deaf and the Blind	$ 23,379	$ 102	$ 5,761	$ 29,242
Institutional Council	—	—	460	460
Total Schools for the Deaf and the Blind	23,379	102	6,221	29,702
Total Education Fund	$ 2,632,867	$ 509,801	$ 52,624	$ 3,195,292
TRANSPORTATION FUND				
Support Services	$ 27,412	$ 2,204	$ —	$ 29,616
Engineering Services	16,143	15,869	1,454	33,466
Maintenance Management	134,079	8,624	2,889	145,592
Construction Management	68,356	370,178	26,547	465,081
Region Management	22,646	2,281	1,615	26,542
Equipment Management	1,044	—	30,251	31,295
Aeronautics	7,216	6	368	7,590
Share the Road	35	—	—	35
B and C Roads	129,243	—	—	129,243
Safe Sidewalk Construction	947	—	—	947
Mineral Lease	54,449	—	—	54,449
Corridor Preservation	24,492	—	—	24,492
Tollway	840	—	—	840
Counties of the 1st and 2nd Class	12,287	—	—	12,287
Highway Projects Within Counties	1,437	—	—	1,437
Nonappropriated	—	—	8,138	8,138
Total Transportation Fund	$ 500,626	$ 399,162	$ 71,262	$ 971,050
TRANSPORTATION INVESTMENT FUND				
TIF Capacity Program	$ 747,338	$ —	$ —	$ 747,338
Total Transportation Investment Fund	$ 747,338	$ 0	$ 0	$ 747,338
DEBT SERVICE FUNDS				
General Government	$ 445,730	$ 14,589	$ 416	$ 460,735
State Building Ownership Authority	2,538	1,672	22,476	26,686
Total Debt Service Funds	$ 448,268	$ 16,261	$ 22,892	$ 487,421

Actual Expenditures	Lapse to Unrestricted	Lapse to Restricted and Other	Nonlapse or (Deficit) Carry Forward
$ 315,961	$ —	$ 100	$ 17,935
81,101	—	—	—
181,256	—	—	54
3,075	—	—	—
3,258	—	—	47
2,704	—	—	587
2,125	—	—	—
1,904	—	285	—
22,824	—	—	6,229
1,882,080	—	—	31,504
468,362	—	—	9,892
71,971	—	—	22,628
14,500	—	—	—
4,975	—	—	756
15,247	—	—	—
4,230	—	—	—
3,075,573	0	385	89,632
$ 29,242	$ —	$ —	$ —
460	—	—	—
29,702	0	0	0
$ 3,105,275	$ 0	$ 385	$ 89,632
$ 29,369	$ 47	$ —	$ 200
32,979	187	—	300
144,727	—	—	865
455,353	9,728	—	—
25,864	478	—	200
31,083	12	—	200
7,460	—	130	—
35	—	—	—
128,978	265	—	—
488	—	—	459
54,449	—	—	—
24,492	—	—	—
840	—	—	—
12,287	—	—	—
1,437	—	—	—
1,037	7,101	—	—
$ 950,878	$ 17,818	$ 130	$ 2,224
$ 349,658	$ 397,680	$ —	$ —
$ 349,658	$ 397,680	$ 0	$ 0
$ 438,798	$ 15,252	$ —	$ 6,685
24,942	—	—	1,744
$ 463,740	$ 15,252	$ 0	$ 8,429

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Nonmajor Enterprise Funds

Housing Loan Programs

These programs provide loans or grants to low income or special needs individuals for construction, rehabilitation, or purchase of single or multi-family housing. Funds are provided from federal funds, loan repayments, appropriations, and interest earnings.

Agriculture Loan Fund

This fund is comprised of two separate revolving loan programs: the Agriculture Resource Development Fund and the Rural Rehabilitation Fund. Both programs issue farm loans for soil and water conservation projects and the rehabilitation of rural areas within the State.

Energy Efficiency Fund

This fund provides revolving loans to assist in the conversion of government and private fleet vehicles to clean fuel and for energy efficiency projects in local school districts and state facilities. Funds are provided from public and private contributions, appropriations, and interest earnings on loans and invested funds.

Petroleum Storage Tank Loan Fund

This fund was created to provide revolving loan capital to support small businesses, increase the availability of gasoline in rural areas, and reduce the threat of a petroleum release. Funds are provided from appropriations and interest earnings on loans and invested funds.

Transportation Infrastructure Loan Fund

This fund was created as a revolving loan fund to provide infrastructure assistance to local governments to expedite construction projects. The fund was capitalized with federal grants and state matching appropriations.

Alcoholic Beverage Control

The Alcoholic Beverage Control Commission was established to conduct, license, and regulate the sale of alcoholic beverages. Funding is provided through the sale of products. The net profit from the fund is transferred to the State's General Fund and is used for general government purposes.

Utah Correctional Industries (UCI)

UCI was established to provide work training opportunities for inmates of the Utah State Prison. UCI manufactures and sells such items as license plates, furniture, highway signs, dairy and meat products, and provides printing and other miscellaneous products and services. Funding comes from charges for products and services.

State Trust Lands Administration

This agency manages the assets of the Trust Lands permanent fund. Its objective is to maximize the growth of principal and income production for the beneficiaries.

Utah Dairy Commission

The purpose of the Commission is to promote the use of dairy products. Its operations are comprised of promotion, advertising, research, and nutritional education regarding dairy products. Funding consists primarily of fees from milk producers.

Federal Health Insurance Pool

The Federal Health Insurance Pool is a temporary high risk health insurance program enacted by Section 1101(b) of the Patient Protection and Affordable Care Act, Public Law 111-148, *(the Affordable Care Act)* known as the "Pre-Existing Condition Insurance Plan" or PCIP. The PCIP program provides health insurance coverage to uninsured individuals with pre-existing conditions who have been without insurance for at least six months. Ongoing operating costs are recovered through federal contract and premium charges.

Combining Statement Of Net Position
Nonmajor Enterprise Funds

June 30, 2013 (Expressed in Thousands)

	Housing Loan Programs	Agriculture Loan Fund	Energy Efficiency Fund	Petroleum Storage Tank Loan Fund
ASSETS				
Current Assets:				
Cash and Cash Equivalents	$ 12,620	$ 11,110	$ 1,816	$ 4,957
Receivables:				
Accounts, net	—	20	326	—
Accrued Interest	760	648	1	2
Notes/Loans/Mortgages, net	3,309	4,141	713	66
Due From Other Funds	—	—	—	—
Prepaid Items	—	—	—	—
Inventories	—	—	—	—
Total Current Assets	16,689	15,919	2,856	5,025
Noncurrent Assets:				
Investments	1,210	—	—	—
Accrued Interest Receivable	1,114	—	—	—
Notes/Loans/Mortgages Receivables, net	97,327	36,781	2,642	649
Capital Assets:				
Land	—	—	—	—
Infrastructure	—	—	—	—
Buildings and Improvements	—	—	—	—
Machinery and Equipment	—	20	—	—
Intangible Assets–Software	—	—	—	—
Less Accumulated Depreciation	—	(20)	—	—
Total Capital Assets	0	0	0	0
Total Noncurrent Assets	99,651	36,781	2,642	649
Total Assets	116,340	52,700	5,498	5,674
LIABILITIES				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	23	24	200	—
Deposits	97	—	—	—
Due To Other Funds	—	1	—	—
Due To Component Units	—	—	—	—
Unearned Revenue	—	—	—	—
Policy Claims Liabilities	—	—	—	—
Revenue Bonds Payable	—	—	—	—
Total Current Liabilities	120	25	200	0
Noncurrent Liabilities:				
Revenue Bonds Payable	—	—	—	—
Total Noncurrent Liabilities	0	0	0	0
Total Liabilities	120	25	200	0
NET POSITION				
Net Investment in Capital Assets	—	—	—	—
Restricted for:				
Loan Programs	72,689	4,565	—	—
Unrestricted	43,531	48,110	5,298	5,674
Total Net Position	$ 116,220	$ 52,675	$ 5,298	$ 5,674

Transportation Infrastructure Loan Fund	Alcoholic Beverage Control	Utah Correctional Industries	State Trust Lands Administration	Utah Dairy Commission	Federal Health Insurance Pool	Total Nonmajor Enterprise Funds
$ 3,274	$ 137	$ 1,951	$ 5,928	$ 981	$ 378	$ 43,152
—	2,260	548	8,564	249	5,890	17,857
7	—	—	—	—	—	1,418
781	—	—	—	—	—	9,010
—	9,245	797	64	—	—	10,106
—	—	—	—	2	10	12
—	30,830	2,043	—	23	—	32,896
4,062	42,472	5,339	14,556	1,255	6,278	114,451
—	—	—	—	253	—	1,463
—	—	—	—	—	—	1,114
—	—	—	—	—	—	137,399
—	22,392	—	263	32	—	22,687
—	—	304	—	—	—	304
—	75,231	4,021	233	143	—	79,628
—	9,299	3,811	1,321	60	—	14,511
—	328	69	—	—	—	397
—	(26,300)	(3,383)	(1,158)	(155)	—	(31,016)
0	80,950	4,822	659	80	0	86,511
0	80,950	4,822	659	333	0	226,487
4,062	123,422	10,161	15,215	1,588	6,278	340,938
—	8,090	1,988	930	39	43	11,337
—	—	—	—	—	—	97
—	16,329	238	5,290	—	—	21,858
—	—	—	9	—	—	9
—	1,003	—	3,456	—	100	4,559
—	—	—	—	—	6,135	6,135
—	4,844	154	—	—	—	4,998
0	30,266	2,380	9,685	39	6,278	48,993
—	78,817	1,678	—	—	—	80,495
0	78,817	1,678	0	0	0	80,495
0	109,083	4,058	9,685	39	6,278	129,488
—	6,534	2,999	659	80	—	10,272
4,062	—	—	—	—	—	81,316
—	7,805	3,104	4,871	1,469	—	119,862
$ 4,062	$ 14,339	$ 6,103	$ 5,530	$ 1,549	$ 0	$ 211,450

Combining Statement Of Revenues, Expenses, And Changes In Fund Net Position
Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2013 (Expressed in Thousands)

	Housing Loan Programs	Agriculture Loan Fund	Energy Efficiency Fund	Petroleum Storage Tank Loan Fund
OPERATING REVENUES				
Sales and Charges for Services/Premiums	$ 992	$ —	$ 1	$ —
Fees and Assessments	—	—	—	—
Interest on Notes/Mortgages	1,821	1,313	2	22
Miscellaneous	34	2	—	—
Total Operating Revenues	2,847	1,315	3	22
OPERATING EXPENSES				
Administration	198	339	—	—
Purchases, Materials, and Services for Resale	—	—	—	—
Grants	409	—	229	—
Rentals and Leases	—	4	—	—
Maintenance	5	—	—	—
Depreciation/Amortization	—	—	—	—
Benefit Claims	—	—	—	—
Miscellaneous Other:				
Data Processing	—	—	—	—
Supplies	—	—	—	—
Utilities	16	—	—	—
Advertising and Other	279	21	2	—
Total Operating Expenses	907	364	231	0
Operating Income (Loss)	1,940	951	(228)	22
NONOPERATING REVENUES (EXPENSES)				
Investment Income	62	53	18	33
Federal Contracts and Grants	1,646	—	325	—
Disposal of Capital Assets	—	—	—	—
Tax Revenues	—	525	—	—
Interest Expense	—	—	—	—
Total Nonoperating Revenues (Expenses)	1,708	578	343	33
Income (Loss) before Transfers	3,648	1,529	115	55
Transfers In	2,243	—	—	—
Transfers Out	—	(642)	(35)	(165)
Change in Net Position	5,891	887	80	(110)
Net Position – Beginning	110,329	51,788	5,218	5,784
Net Position – Ending	$ 116,220	$ 52,675	$ 5,298	$ 5,674

Transportation Infrastructure Loan Fund	Alcoholic Beverage Control	Utah Correctional Industries	State Trust Lands Administration	Utah Dairy Commission	Federal Health Insurance Pool	Total Nonmajor Enterprise Funds
$ —	$ 290,757	$ 22,995	$ 8,537	$ 40	$ 4,699	$ 328,021
—	2,724	—	8	2,679	—	5,411
37	—	—	—	—	—	3,195
—	497	—	—	52	—	585
37	293,978	22,995	8,545	2,771	4,699	337,212
—	17,301	5,755	6,737	610	552	31,492
—	180,590	13,752	—	86	—	194,428
—	—	—	—	—	—	638
—	1,015	607	808	—	—	2,434
—	3,248	1,283	47	—	—	4,583
—	3,217	336	35	10	—	3,598
—	—	—	—	—	38,188	38,188
—	1,591	319	186	—	—	2,096
—	326	1,026	119	—	—	1,471
—	164	98	103	—	—	381
—	2,190	494	2,318	1,802	—	7,106
0	209,642	23,670	10,353	2,508	38,740	286,415
37	84,336	(675)	(1,808)	263	(34,041)	50,797
15	17	—	(17)	11	—	192
—	311	2,095	—	—	34,041	38,418
—	439	(14)	—	—	—	425
—	—	—	—	—	—	525
—	(3,753)	(90)	—	—	—	(3,843)
15	(2,986)	1,991	(17)	11	34,041	35,717
52	81,350	1,316	(1,825)	274	0	86,514
—	—	—	—	—	—	2,243
—	(81,350)	—	(597)	—	—	(82,789)
52	0	1,316	(2,422)	274	0	5,968
4,010	14,339	4,787	7,952	1,275	—	205,482
$ 4,062	$ 14,339	$ 6,103	$ 5,530	$ 1,549	$ 0	$ 211,450

Combining Statement Of Cash Flows
Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2013 (Expressed in Thousands)

	Housing Loan Programs	Agriculture Loan Fund	Energy Efficiency Fund	Petroleum Storage Tank Loan Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers/Loan Interest/Fees/Premiums	$ 2,881	$ 1,306	$ 3	$ 21
Receipts from Loan Maturities	5,394	5,811	310	98
Receipts from State Customers	—	—	—	—
Payments to Suppliers/Claims/Grants	(409)	(4)	(186)	—
Disbursements for Loans Receivable	(10,451)	(3,679)	(1,663)	(183)
Payments for Employee Services and Benefits	(198)	(346)	—	—
Payments to State Suppliers	(327)	(14)	—	—
Payments of Sales, School Lunch, and Premium Taxes	—	—	—	—
Net Cash Provided (Used) by Operating Activities	(3,110)	3,074	(1,536)	(64)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Borrowings Under Interfund Loans	—	—	—	—
Repayments Under Interfund Loans	—	—	—	—
Federal Contracts and Grants and Other Revenues	1,702	—	—	—
Restricted Sales Tax	—	525	—	—
Transfers In from Other Funds	2,243	—	—	—
Transfers Out to Other Funds	—	(642)	(35)	(165)
Net Cash Provided (Used) by Noncapital Financing Activities	3,945	(117)	(35)	(165)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from Disposition of Capital Assets	—	—	—	—
Principal Paid on Debt and Contract Maturities	—	—	—	—
Acquisition and Construction of Capital Assets	—	—	—	—
Interest Paid on Bonds, Notes, and Capital Leases	—	—	—	—
Net Cash Provided (Used) by Capital and Related Financing Activities	0	0	0	0
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from the Sale and Maturity of Investments	—	—	—	—
Receipts of Interest and Dividends from Investments	62	53	18	33
Net Cash Provided (Used) by Investing Activities	62	53	18	33
Net Cash Provided (Used) – All Activities	897	3,010	(1,553)	(196)
Cash and Cash Equivalents – Beginning	11,723	8,100	3,369	5,153
Cash and Cash Equivalents – Ending	$ 12,620	$ 11,110	$ 1,816	$ 4,957

Transportation Infrastructure Loan Fund	Alcoholic Beverage Control	Utah Correctional Industries	State Trust Lands Administration	Utah Dairy Commission	Federal Health Insurance Pool	Total Nonmajor Enterprise Funds
$ 46	$ 354,773	$ 7,788	$ 8,337	$ 2,769	$ 4,616	$ 382,540
1,074	—	—	—	—	—	12,687
—	—	15,355	—	—	—	15,355
—	(189,094)	(17,319)	(3,054)	(1,951)	(35,507)	(247,524)
—	—	—	—	—	—	(15,976)
—	(15,605)	(5,836)	(6,833)	(601)	—	(29,419)
—	(4,301)	(796)	58	—	—	(5,380)
—	(59,853)	—	—	—	—	(59,853)
1,120	85,920	(808)	(1,492)	217	(30,891)	52,430
—	16,077	—	—	—	—	16,077
—	(14,642)	—	—	—	—	(14,642)
—	—	2,056	—	—	31,269	35,027
—	—	—	—	—	—	525
—	—	—	—	—	—	2,243
—	(81,350)	—	(597)	—	—	(82,789)
0	(79,915)	2,056	(597)	0	31,269	(43,559)
—	—	6	—	—	—	6
—	(4,193)	(142)	—	—	—	(4,335)
—	(53)	(995)	(216)	—	—	(1,264)
—	(1,776)	(83)	—	—	—	(1,859)
0	(6,022)	(1,214)	(216)	0	0	(7,452)
—	—	—	—	(29)	—	(29)
15	17	—	(17)	11	—	192
15	17	0	(17)	(18)	0	163
1,135	—	34	(2,322)	199	378	1,582
2,139	137	1,917	8,250	782	—	41,570
$ 3,274	$ 137	$ 1,951	$ 5,928	$ 981	$ 378	$ 43,152

Continues

Combining Statement Of Cash Flows
Nonmajor Enterprise Funds

Continued

For the Fiscal Year Ended June 30, 2013 (Expressed in Thousands)

	Housing Loan Programs	Agriculture Loan Fund	Energy Efficiency Fund	Petroleum Storage Tank Loan Fund
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	$ 1,940	$ 951	$ (228)	$ 22
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation/Amortization Expense	—	—	—	—
Net Changes in Assets and Liabilities:				
Accounts Receivable/Due From Other Funds	—	(20)	—	—
Notes/Accrued Interest Receivables	(4,960)	2,143	(1,353)	(86)
Inventories	—	—	—	—
Prepaid Items	—	—	—	—
Accrued Liabilities/Due to Other Funds	(90)	—	45	—
Unearned Revenue/Deposits	—	—	—	—
Policy Claims Liabilities	—	—	—	—
Net Cash Provided (Used) by Operating Activities	$ (3,110)	$ 3,074	$ (1,536)	$ (64)
SCHEDULE OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Increase (Decrease) in Fair Value of Investments	$ —	$ —	$ —	$ —
Total Noncash Investing, Capital, and Financing Activities	$ 0	$ 0	$ 0	$ 0

Transportation Infrastructure Loan Fund	Alcoholic Beverage Control	Utah Correctional Industries	State Trust Lands Administration	Utah Dairy Commission	Federal Health Insurance Pool	Total Nonmajor Enterprise Funds
$ 37	$ 84,336	$ (675)	$ (1,808)	$ 263	$ (34,041)	$ 50,797
—	3,217	336	35	10	—	3,598
—	906	148	55	(2)	(138)	949
1,083	—	—	—	—	—	(3,173)
—	(1,111)	(1,033)	—	(2)	—	(2,146)
—	—	—	—	—	—	—
—	(1,464)	416	489	(52)	(56)	(712)
—	36	—	(263)	—	57	(170)
—	—	—	—	—	3,287	3,287
$ 1,120	$ 85,920	$ (808)	$ (1,492)	$ 217	$ (30,891)	$ 52,430
$ —	$ —	$ —	$ (17)	$ —	$ —	$ (17)
$ 0	$ 0	$ 0	$ (17)	$ 0	$ 0	$ (17)

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Internal Service Funds

Technology Services

This fund is responsible for providing data processing and various other computer services along with voice and data communication services to state agencies.

General Services

This fund manages cooperative purchasing contracts and provides purchasing card, printing and mailing services, and surplus property services to state agencies. This fund also provides central accounting services for the Department of Administrative Services and warehouse services for the Department of Natural Resources.

Fleet Operations

This fund provides motor pool, fuel network, and travel services to state agencies.

Risk Management

This fund provides insurance coverage and loss prevention services to state agencies, institutions of higher education, and participating local school districts. Coverage is provided using a combination of self-insurance and private excess insurance.

Property Management

This fund is responsible for the operation and maintenance of facilities used by state agencies. This fund is also used to account for the State's facility energy efficiency program.

Human Resource Management

This fund provides human resource and payroll services to state agencies.

Combining Statement Of Net Position
Internal Service Funds

June 30, 2013 (Expressed in Thousands)

	Technology Services	General Services	Fleet Operations	Risk Management
ASSETS				
Current Assets:				
Cash and Cash Equivalents	$ —	$ 3,935	$ 71	$ 52,715
Receivables:				
Accounts, net	321	2,257	2,728	—
Due From Other Funds	19,246	2,322	3,259	474
Due From Component Units	—	19	28	5
Prepaid Items	2,419	216	22	—
Inventories	549	1,237	4,986	—
Other Assets	—	—	—	—
Total Current Assets	22,535	9,986	11,094	53,194
Noncurrent Assets:				
Notes/Loans/Mortgages Receivables, net	—	—	—	2,700
Other Assets	—	—	—	—
Capital Assets:				
Land	17	—	—	—
Infrastructure	303	—	—	—
Buildings and Improvements	4,611	1,379	193	—
Machinery and Equipment	69,185	12,408	125,736	—
Intangible Assets–Software	8,510	120	219	607
Construction in Progress	289	—	—	—
Less Accumulated Depreciation	(69,352)	(9,397)	(53,692)	(140)
Total Capital Assets	13,563	4,510	72,456	467
Total Noncurrent Assets	13,563	4,510	72,456	3,167
Total Assets	36,098	14,496	83,550	56,361
LIABILITIES				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	12,459	2,937	5,010	413
Due To Other Funds	528	101	30	54
Interfund Loans Payable	469	1,792	12,614	—
Policy Claims Liabilities	—	—	—	18,405
Contracts/Notes Payable	—	—	—	—
Revenue Bonds Payable	—	91	—	—
Total Current Liabilities	13,456	4,921	17,654	18,872
Noncurrent Liabilities:				
Interfund Loans Payable	12,891	2,639	28,830	—
Policy Claims Liabilities	—	—	—	29,785
Contracts/Notes Payable	—	—	—	—
Revenue Bonds Payable	—	425	—	—
Total Noncurrent Liabilities	12,891	3,064	28,830	29,785
Total Liabilities	26,347	7,985	46,484	48,657
Net Position				
Net Investment in Capital Assets	13,563	4,047	72,456	467
Restricted for:				
Insurance Programs	—	—	—	4,117
Unrestricted (Deficit)	(3,812)	2,464	(35,390)	3,120
Total Net Position	$ 9,751	$ 6,511	$ 37,066	$ 7,704

Property Management	Human Resource Management	Total
$ 4,624	$ 2,421	$ 63,766
55	—	5,361
109	1	25,411
553	—	605
47	167	2,871
—	—	6,772
25	—	25
5,413	2,589	104,811
—	—	2,700
398	—	398
—	—	17
—	—	303
—	—	6,183
701	54	208,084
—	42	9,498
—	—	289
(642)	(69)	(133,292)
59	27	91,082
457	27	94,180
5,870	2,616	198,991
2,098	569	23,486
36	503	1,252
—	—	14,875
—	—	18,405
25	—	25
—	—	91
2,159	1,072	58,134
—	—	44,360
—	—	29,785
398	—	398
—	—	425
398	0	74,968
2,557	1,072	133,102
59	27	90,619
—	—	4,117
3,254	1,517	(28,847)
$ 3,313	$ 1,544	$ 65,889

Combining Statement Of Revenues, Expenses, And Changes In Fund Net Position
Internal Service Funds

For the Fiscal Year Ended June 30, 2013 (Expressed in Thousands)

	Technology Services	General Services	Fleet Operations	Risk Management
OPERATING REVENUES				
Charges for Services/Premiums	$ 151,900	$ 22,847	$ 68,070	$ 37,866
Miscellaneous	—	108	73	—
Total Operating Revenues	151,900	22,955	68,143	37,866
OPERATING EXPENSES				
Administration	76,529	6,146	1,789	2,768
Materials and Services for Resale	13,898	11,437	38,990	19,931
Rentals and Leases	357	263	400	32
Maintenance	506	546	15,594	2
Depreciation/Amortization	6,557	1,515	10,086	70
Benefit Claims	—	—	—	17,312
Miscellaneous Other:				
Data Processing	52,280	218	560	79
Supplies	179	92	129	166
Utilities	455	70	311	29
Advertising and Other	3,627	979	1,754	2,294
Total Operating Expenses	154,388	21,266	69,613	42,683
Operating Income (Loss)	(2,488)	1,689	(1,470)	(4,817)
NONOPERATING REVENUES (EXPENSES)				
Investment Earnings	—	—	—	257
Disposal of Capital Assets	—	65	627	—
Interest Expense	—	(25)	—	—
Refunds Paid to Federal Government	—	(341)	—	(656)
Other Revenues (Expenses)	—	(150)	155	—
Total Nonoperating Revenues (Expenses)	0	(451)	782	(399)
Income (Loss) before Transfers	(2,488)	1,238	(688)	(5,216)
Transfers In	—	—	572	—
Transfers Out	(922)	—	—	—
Change in Net Position	(3,410)	1,238	(116)	(5,216)
Net Position – Beginning	13,161	5,273	37,182	12,920
Net Position – Ending	$ 9,751	$ 6,511	$ 37,066	$ 7,704

Property Management	Human Resource Management	Total
$ 28,044	$ 10,549	$ 319,276
—	—	181
28,044	10,549	319,457
7,772	9,599	104,603
—	—	84,256
512	10	1,574
9,044	—	25,692
21	18	18,267
—	—	17,312
387	629	54,153
236	103	905
9,930	120	10,915
1,544	395	10,593
29,446	10,874	328,270
(1,402)	(325)	(8,813)
6	—	263
—	—	692
(21)	—	(46)
(10)	(214)	(1,221)
—	—	5
(25)	(214)	(307)
(1,427)	(539)	(9,120)
—	—	572
(41)	(305)	(1,268)
(1,468)	(844)	(9,816)
4,781	2,388	75,705
$ 3,313	$ 1,544	$ 65,889

Combining Statement Of Cash Flows
Internal Service Funds

For the Fiscal Year Ended June 30, 2013 (Expressed in Thousands)

	Technology Services	General Services	Fleet Operations	Risk Management
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers/Loan Interest/Fees/Premiums	$ 1,740	$ 4,980	$ 24,710	$ 19,746
Receipts from State Customers	151,209	17,311	43,283	17,481
Payments to Suppliers/Claims/Grants	(61,989)	(12,987)	(25,175)	(30,215)
Payments for Employee Services and Benefits	(77,208)	(6,079)	(1,834)	(2,786)
Payments to State Suppliers and Grants	(10,855)	—	(32,862)	(6,800)
Net Cash Provided (Used) by Operating Activities	2,897	3,225	8,122	(2,574)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Repayments Under Interfund Loans	(57)	—	—	—
Payments of Bonds, Notes, Deposits, and Refunds	—	—	—	—
Interest Paid on Bonds, Notes, and Financing Costs	—	—	—	—
Transfers Out to Other Funds	(922)	—	—	—
Net Cash Provided (Used) by Noncapital Financing Activities	(979)	0	0	0
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Borrowings Under Interfund Loans	3,246	216	7,832	—
Proceeds from Disposition of Capital Assets	—	69	3,602	—
Federal Grants and Other Revenues	—	—	155	—
Principal Paid on Debt and Contract Maturities	—	(80)	—	—
Acquisition and Construction of Capital Assets	(5,164)	(2,149)	(20,290)	(256)
Interest Paid on Bonds, Notes, and Capital Leases	—	(5)	—	—
Transfers In from Other Funds	—	—	572	—
Transfers Out to Other Funds	—	—	—	—
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,918)	(1,949)	(8,129)	(256)
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts of Interest and Dividends from Investments	—	—	—	257
Net Cash Provided (Used) by Investing Activities	0	0	0	257
Net Cash Provided (Used) – All Activities	0	1,276	(7)	(2,573)
Cash and Cash Equivalents – Beginning	—	2,659	78	55,288
Cash and Cash Equivalents – Ending	$ 0	$ 3,935	$ 71	$ 52,715

Property Management	Human Resource Management	Total
$ 2,347	$ 211	$ 53,734
26,330	10,431	266,045
(19,631)	(293)	(150,290)
(7,883)	(9,678)	(105,468)
(2,181)	(607)	(53,305)
(1,018)	64	10,716
—	—	(57)
(23)	—	(23)
(21)	—	(21)
—	(305)	(1,227)
(44)	(305)	(1,328)
—	—	11,294
—	—	3,671
—	—	155
—	—	(80)
(38)	—	(27,897)
—	—	(5)
—	—	572
(41)	—	(41)
(79)	0	(12,331)
6	—	263
6	0	263
(1,135)	(241)	(2,680)
5,759	2,662	66,446
$ 4,624	$ 2,421	$ 63,766

Continues

Combining Statement Of Cash Flows
Internal Service Funds

Continued

For the Fiscal Year Ended June 30, 2013 (Expressed in Thousands)

	Technology Services	General Services	Fleet Operations	Risk Management
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	$ (2,488)	$ 1,689	$ (1,470)	$ (4,817)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation/Amortization Expense	6,557	1,515	10,086	70
Miscellaneous Gains, Losses, and Other Items	—	(491)	—	(656)
Net Changes in Assets and Liabilities:				
Accounts Receivable/Due From Other Funds	1,049	(497)	(150)	103
Notes/Accrued Interest Receivables	—	—	—	(577)
Inventories	(179)	101	(794)	—
Prepaid Items/Other Assets	1,708	(31)	(22)	250
Accrued Liabilities/Due to Other Funds	(3,750)	956	472	(272)
Unearned Revenue/Deposits	—	(17)	—	(165)
Policy Claims Liabilities	—	—	—	3,490
Net Cash Provided (Used) by Operating Activities	$ 2,897	$ 3,225	$ 8,122	$ (2,574)
SCHEDULE OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Increase (Decrease) in Fair Value of Investments	$ —	$ —	$ —	$ (49)
Total Noncash Investing, Capital, and Financing Activities	$ 0	$ 0	$ 0	$ (49)

Property Management	Human Resource Management	Total
$ (1,402)	$ (325)	$ (8,813)
21	18	18,267
(10)	(214)	(1,371)
633	93	1,231
—	—	(577)
—	—	(872)
(24)	1	1,882
(236)	491	(2,339)
—	—	(182)
—	—	3,490
$ (1,018)	$ 64	$ 10,716
$ —	$ —	$ (49)
$ 0	$ 0	$ (49)

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Fiduciary Funds

PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS

Defined Benefit Pension Plans and Defined Contribution Plans

These funds are used to account for the various pension trust funds and defined contribution plans administered by the Utah Retirement Systems. Funding comes from employee and employer contributions and investment earnings. Contributions in some systems are augmented by fees, insurance premium taxes, or legislative appropriations.

Post-Retirement Benefits Trust Funds

The State administers the State Employee and the Elected Official Other Postemployment Benefit Plans as irrevocable trusts. These trusts funds account for the assets accumulated and the payments made for other postemployment benefits provided to current and future state employee and elected official retirees. Funding comes from employer contributions and investment earnings.

PRIVATE PURPOSE TRUST FUNDS

Utah Navajo Royalties Holding

This fund receives oil royalties, operating, and other trust revenues. Funds received are used for the health, education, and general welfare of Navajo residents of San Juan County, Utah.

Unclaimed Property Trust

This fund is used to account for unclaimed property escheated to the State. Proceeds of the fund pay the administrative costs to operate the fund and any claims. The remaining proceeds are deposited in the Education Fund and can only be used to help fund public education.

Employers' Reinsurance Trust

This fund primarily provides compensation to individuals injured from industrial accidents or occupational diseases occurring on or before June 30, 1994, where the injury is of a permanent nature and workers' compensation benefits have expired. Revenues come from assessments on insurance premiums and court-ordered penalties. The net position of the fund is held in trust for injured workers and cannot be used for any other purpose.

Petroleum Storage Tank Trust

This fund is used to pay the costs of damage caused by petroleum storage tank releases. Sources of funding include fees from participating companies, recovered costs and settlements from responsible parties, and investment income. The net position of this fund is held in trust for the benefit of participants and cannot be used for any other purpose.

Utah Educational Savings Plan Trust

This fund was created as a means to encourage investment in a public trust to pay for future higher education costs. Participant contributions are used to pay for future college expenses.

Miscellaneous Restricted Trust

This is made up of various small individual funds created to receive and disburse funds in accordance with applicable laws and trust agreements.

AGENCY FUNDS

Taxes and Social Security

This fund is used to account for federal withholding and social security taxes on the State's payroll.

County and Local Collections

This fund receives and disburses various taxes collected by the State on behalf of county and local governments.

State Courts

This fund receives and disburses various fines and forfeitures collected by the state courts on behalf of state and local agencies.

Deposits, Suspense, and Miscellaneous

This fund is made up of small individual funds set up to account for various receipts and disbursements.

Combining Statement Of Fiduciary Net Position
Pension And
Other Employee Benefit Trust Funds

June 30, 2013 (Expressed in Thousands)

	Pension Trust			
	Non-Contributory System	Contributory System	Public Safety System	Firefighters System
ASSETS				
Cash and Cash Equivalents	$ 1,043,455	$ 67,190	$ 139,735	$ 50,442
Receivables:				
Member Contributions	—	281	34	594
Employer Contributions	39,123	621	4,250	—
Court Fees and Fire Insurance Premiums	—	—	—	543
Investments	273,589	17,665	36,734	13,261
Total Receivables	312,712	18,567	41,018	14,398
Due From Other Funds	—	—	—	—
Investments:				
Debt Securities	3,256,908	210,287	437,287	157,868
Equity Investments	6,583,357	425,065	883,906	319,109
Absolute Return	2,764,938	178,522	371,230	134,022
Private Equity	2,064,243	133,281	277,154	100,058
Real Assets	2,462,630	159,003	330,643	119,368
Mortgage Loans	5,449	352	732	264
Invested Securities Lending Collateral	1,265,465	81,706	169,906	61,339
Total Investments	18,402,990	1,188,216	2,470,858	892,028
Capital Assets:				
Land	1,417	91	190	69
Buildings and Improvements	14,015	904	1,879	680
Machinery and Equipment	4,915	317	659	238
Less Accumulated Depreciation	(15,275)	(985)	(2,048)	(741)
Total Capital Assets	5,072	327	680	246
Total Assets	19,764,229	1,274,300	2,652,291	957,114
LIABILITIES				
Accounts Payable	388,328	24,886	51,749	18,682
Securities Lending Liability	1,265,465	81,706	169,906	61,339
Leave/Postemployment Benefits	10,548	681	1,416	511
Insurance Reserves	3,975	257	533	193
Real Estate Liabilities	466,476	30,119	62,630	22,611
Total Liabilities	2,134,792	137,649	286,234	103,336
NET POSITION				
Restricted for:				
Pension Benefits	17,629,437	1,136,651	2,366,057	853,778
Other Postemployment Benefits	—	—	—	—
Defined Contribution	—	—	—	—
Total Net Position	$ 17,629,437	$ 1,136,651	$ 2,366,057	$ 853,778

Pension Trust				Defined Contribution Plans			
Judges System	Governors and Legislative Pension Plan	Tier 2 Public Employees	Tier 2 Safety and Firefighters	401(k) Plan	457 Plan	IRA Plans	Health Reimbursement Arrangement
$ 8,036	$ 560	$ 977	$ 68	$ 5,327	$ 43	$ 237	$ 10,219
—	—	—	—	—	—	—	—
187	—	1,446	62	—	—	—	1,313
129	—	—	—	—	—	—	—
2,112	147	256	17	76,319	7,871	—	—
2,428	147	1,702	79	76,319	7,871	0	1,313
—	—	—	—	—	—	—	—
25,146	1,748	3,052	205	1,432,358	161,217	36,884	—
50,829	3,534	6,170	414	1,665,697	186,866	34,036	—
21,347	1,484	2,591	174	—	—	—	—
15,938	1,108	1,935	130	—	—	—	—
19,013	1,322	2,308	155	39,559	4,621	1,230	—
42	3	5	—	—	—	—	—
9,770	679	1,186	79	—	—	—	—
142,085	9,878	17,247	1,157	3,137,614	352,704	72,150	0
11	1	1	—	—	—	—	—
107	8	14	—	—	—	—	—
38	3	5	—	—	—	—	—
(117)	(9)	(15)	—	—	—	—	—
39	3	5	0	0	0	0	0
152,588	10,588	19,931	1,304	3,219,260	360,618	72,387	11,532
2,976	207	361	24	6,386	237	42	63
9,770	679	1,186	79	—	—	—	—
81	6	10	1	—	—	—	—
31	2	4	—	—	—	—	—
3,603	249	437	29	—	—	—	—
16,461	1,143	1,998	133	6,386	237	42	63
136,127	9,445	17,933	1,171	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	3,212,874	360,381	72,345	11,469
$ 136,127	$ 9,445	$ 17,933	$ 1,171	$ 3,212,874	$ 360,381	$ 72,345	$ 11,469

Continues

Combining Statement Of Fiduciary Net Position
Pension And
Other Employee Benefit Trust Funds

Continued

June 30, 2013 (Expressed in Thousands)

	Post-Retirement Benefits Trust		
	State Employee	Elected Official	Total
ASSETS			
Cash and Cash Equivalents	$ 201	$ —	$ 1,326,490
Receivables:			
Member Contributions	—	—	909
Employer Contributions	—	—	47,002
Court Fees and Fire Insurance Premiums	—	—	672
Investments	—	—	427,971
Total Receivables	0	0	476,554
Due From Other Funds	2,248	—	2,248
Investments:			
Debt Securities	102,783	4,387	5,830,130
Equity Investments	67,494	653	10,227,130
Absolute Return	—	—	3,474,308
Private Equity	—	—	2,593,847
Real Assets	—	—	3,139,852
Mortgage Loans	—	—	6,847
Invested Securities Lending Collateral	—	—	1,590,130
Total Investments	170,277	5,040	26,862,244
Capital Assets:			
Land	—	—	1,780
Buildings and Improvements	—	—	17,607
Machinery and Equipment	—	—	6,175
Less Accumulated Depreciation	—	—	(19,190)
Total Capital Assets	0	0	6,372
Total Assets	172,726	5,040	28,673,908
LIABILITIES			
Accounts Payable	—	—	493,941
Securities Lending Liability	—	—	1,590,130
Leave/Postemployment Benefits	85	—	13,339
Insurance Reserves	—	—	4,995
Real Estate Liabilities	—	—	586,154
Total Liabilities	85	0	2,688,559
NET POSITION			
Restricted for:			
Pension Benefits	—	—	22,150,599
Other Postemployment Benefits	172,641	5,040	177,681
Defined Contribution	—	—	3,657,069
Total Net Position	$ 172,641	$ 5,040	$ 25,985,349

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Combining Statement Of Changes In Fiduciary Net Position
Pension And
Other Employee Benefit Trust Funds

For the Fiscal Year Ended June 30, 2013 (Expressed in Thousands)

	Pension Trust			
	Non-Contributory System	Contributory System	Public Safety System	Firefighters System
ADDITIONS				
Contributions:				
Member	$ 15,014	$ 6,962	$ 1,155	$ 17,503
Employer	644,907	11,705	117,975	1,264
Court Fees and Fire Insurance Premiums	—	—	—	16,057
Total Contributions	659,921	18,667	119,130	34,824
Investment Income:				
Net Increase (Decrease) in Fair Value of Investments	1,648,678	108,074	219,784	79,308
Interest, Dividends, and Other Investment Income	385,042	25,240	51,331	18,522
Less Investment Expenses	(32,725)	(2,145)	(4,362)	(1,575)
Net Investment Income	2,000,995	131,169	266,753	96,255
Transfers From Affiliated Systems	—	47,098	6,411	1,325
Total Additions	2,660,916	196,934	392,294	132,404
DEDUCTIONS				
Retirement Benefits	753,155	55,884	105,780	34,445
Cost of Living Benefits	146,978	14,746	22,372	8,871
Supplemental Retirement Benefits	—	225	380	344
Retiree Healthcare Benefits	—	—	—	—
Refunds/Plan Distributions	2,858	1,975	292	133
Administrative Expenses	8,397	503	1,164	357
Transfers To Affiliated Systems	55,563	—	—	—
Total Deductions	966,951	73,333	129,988	44,150
Change in Net Position Restricted for:				
Pension Benefits	1,693,965	123,601	262,306	88,254
Other Postemployment Benefits	—	—	—	—
Defined Contribution	—	—	—	—
Net Position – Beginning	15,935,472	1,013,050	2,103,751	765,524
Net Position – Ending	$ 17,629,437	$ 1,136,651	$ 2,366,057	$ 853,778

Pension Trust				Defined Contribution Plans			
Judges System	Governors and Legislative Pension Plan	Tier 2 Public Employees	Tier 2 Safety and Firefighters	401(k) Plan	457 Plan	IRA Plans	Health Reimbursement Arrangement
$ —	$ —	$ —	$ —	$ 218,888	$ 24,501	$ 17,484	$ —
4,232	214	14,208	1,031	—	—	—	4,092
1,666	—	—	—	—	—	—	—
5,898	214	14,208	1,031	218,888	24,501	17,484	4,092
12,758	906	742	46	313,157	35,072	6,134	—
2,980	212	197	11	3,250	326	—	22
(253)	(18)	(17)	(1)	(3,033)	(333)	(67)	—
15,485	1,100	922	56	313,374	35,065	6,067	22
710	19	5	—	—	—	—	—
22,093	1,333	15,135	1,087	532,262	59,566	23,551	4,114
7,364	647	—	—	—	—	—	—
1,771	168	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	1	—	—	194,538	19,877	5,505	1,736
66	5	1	—	5,857	664	114	22
—	—	—	5	—	—	—	—
9,201	821	1	5	200,395	20,541	5,619	1,758
12,892	512	15,134	1,082	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	331,867	39,025	17,932	2,356
123,235	8,933	2,799	89	2,881,007	321,356	54,413	9,113
$ 136,127	$ 9,445	$ 17,933	$ 1,171	$ 3,212,874	$ 360,381	$ 72,345	$ 11,469

Continues

Combining Statement Of Changes In Fiduciary Net Position
Pension And
Other Employee Benefit Trust Funds

Continued

For the Fiscal Year Ended June 30, 2013 (Expressed in Thousands)

	Post-Retirement Benefits Trust		
	State Employee	**Elected Official**	**Total**
ADDITIONS			
Contributions:			
Member	$ —	$ —	$ 301,507
Employer	38,070	2,030	839,728
Court Fees and Fire Insurance Premiums	—	—	17,723
Total Contributions	38,070	2,030	1,158,958
Investment Income:			
Net Increase (Decrease) in Fair Value of Investments	18,935	133	2,443,727
Interest, Dividends, and Other Investment Income	77	10	487,220
Less Investment Expenses	—	—	(44,529)
Net Investment Income	19,012	143	2,886,418
Transfers From Affiliated Systems	—	—	55,568
Total Additions	57,082	2,173	4,100,944
DEDUCTIONS			
Retirement Benefits	—	—	957,275
Cost of Living Benefits	—	—	194,906
Supplemental Retirement Benefits	—	—	949
Retiree Healthcare Benefits	27,459	321	27,780
Refunds/Plan Distributions	—	—	226,915
Administrative Expenses	—	—	17,150
Transfers To Affiliated Systems	—	—	55,568
Total Deductions	27,459	321	1,480,543
Change in Net Position Restricted for:			
Pension Benefits	—	—	2,197,746
Other Postemployment Benefits	29,623	1,852	31,475
Defined Contribution	—	—	391,180
Net Position – Beginning	143,018	3,188	23,364,948
Net Position – Ending	$ 172,641	$ 5,040	$ 25,985,349

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Combining Statement Of Fiduciary Net Position
Private Purpose Trust Funds

June 30, 2013 (Expressed in Thousands)

	Utah Navajo Royalties Holding	Unclaimed Property Trust	Employers' Reinsurance Trust	Petroleum Storage Tank Trust
ASSETS				
Cash and Cash Equivalents	$ 1,791	$ 10,882	$ 406	$ 913
Receivables:				
Accounts	401	—	5,013	—
Accrued Assessments	—	—	3,356	—
Court Settlement	13,500	—	—	—
Due From Other Funds	1,415	—	—	—
Investments:				
Debt Securities	33,737	54,329	167,534	16,441
Equity Investments	101	8,301	—	—
Total Investments	33,838	62,630	167,534	16,441
Capital Assets:				
Land	271	—	—	—
Buildings and Improvements	10,715	—	—	—
Machinery and Equipment	135	—	—	—
Less Accumulated Depreciation	(3,132)	—	—	—
Total Capital Assets	7,989	0	0	0
Total Assets	58,934	73,512	176,309	17,354
LIABILITIES				
Accounts Payable	266	(3)	195	561
Due To Other Funds	376	—	60	—
Unearned Revenue	5	—	—	265
Policy Claims Liabilities	—	—	239,735	27,033
Total Liabilities	647	(3)	239,990	27,859
NET POSITION				
Restricted for:				
Individuals, Organizations, and Other Governments	58,287	73,515	(63,681)	(10,505)
Total Net Position	$ 58,287	$ 73,515	$ (63,681)	$ (10,505)

Utah Educational Savings Plan Trust	Miscellaneous Restricted Trust	Total
$ 890	$ 5,369	$ 20,251
8	—	5,422
—	—	3,356
—	—	13,500
—	328	1,743
1,461,668	14,633	1,748,342
4,409,817	—	4,418,219
5,871,485	14,633	6,166,561
—	—	271
—	—	10,715
1,313	—	1,448
(978)	—	(4,110)
335	0	8,324
5,872,718	20,330	6,219,157
642	47	1,708
—	32	468
—	—	270
—	—	266,768
642	79	269,214
5,872,076	20,251	5,949,943
$ 5,872,076	$ 20,251	$ 5,949,943

Combining Statement Of Changes In Fiduciary Net Position
Private Purpose Trust Funds

For the Fiscal Year Ended June 30, 2013 (Expressed in Thousands)

	Utah Navajo Royalties Holding	Unclaimed Property Trust	Employers' Reinsurance Trust	Petroleum Storage Tank Trust
ADDITIONS				
Contributions:				
Member	$ —	$ —	$ —	$ —
Total Contributions	0	0	0	0
Investment Income:				
Net Increase (Decrease) in Fair Value of Investments	(30)	(172)	(147)	—
Interest, Dividends, and Other Investment Income	215	383	1,105	106
Total Investment Income	185	211	958	106
Other Additions:				
Escheats	—	20,132	—	—
Royalties and Rents	2,674	—	—	—
Fees, Assessments, and Revenues	—	—	16,076	6,552
Court Settlement / Miscellaneous	—	—	—	—
Total Other	2,674	20,132	16,076	6,552
Total Additions	2,859	20,343	17,034	6,658
DEDUCTIONS				
Trust Operating Expenses	250	—	—	805
Distributions and Benefit Payments	—	11,526	19,585	—
Administrative and General Expenses	2,005	2,631	1,477	1,340
Total Deductions	2,255	14,157	21,062	2,145
Change in Net Position Restricted for:				
Individuals, Organizations, and Other Governments	604	6,186	(4,028)	4,513
Net Position – Beginning	57,683	67,329	(59,653)	(15,018)
Net Position – Ending	$ 58,287	$ 73,515	$ (63,681)	$ (10,505)

Utah Educational Savings Plan Trust	Miscellaneous Restricted Trust	Total
$ 691,484	$ 10,438	$ 701,922
691,484	10,438	701,922
557,240	—	556,891
119,371	89	121,269
676,611	89	678,160
—	—	20,132
—	—	2,674
—	22,719	45,347
25	6,169	6,194
25	28,888	74,347
1,368,120	39,415	1,454,429
—	24,493	25,548
209,390	10,527	251,028
6,187	1,669	15,309
215,577	36,689	291,885
1,152,543	2,726	1,162,544
4,719,533	17,525	4,787,399
$ 5,872,076	$ 20,251	$ 5,949,943

Combining Statement Of Fiduciary Assets and Liabilities
Agency Funds

June 30, 2013 (Expressed in Thousands)

	Taxes and Social Security	County and Local Collections	State Courts	Deposits, Suspense, and Miscellaneous	Total
ASSETS					
Cash and Cash Equivalents	$ 19	$ 116,748	$ 31,706	$ 22,672	$ 171,145
Accounts Receivable	—	6	—	13,048	13,054
Due From Other Funds	—	—	3	1,339	1,342
Investments:					
Debt Securities	—	4	—	20,517	20,521
Total Investments	0	4	0	20,517	20,521
Total Assets	$ 19	$ 116,758	$ 31,709	$ 57,576	$ 206,062
LIABILITIES					
Due To Individuals, Organizations, and Other Governments	$ 19	$ 116,758	$ 31,709	$ 57,576	$ 206,062
Total Liabilities	$ 19	$ 116,758	$ 31,709	$ 57,576	$ 206,062

Combining Statement Of Changes In Assets And Liabilities Agency Funds

For the Fiscal Year Ended June 30, 2013 (Expressed in Thousands)

	Balance June 30, 2012	Additions	Deletions	Balance June 30, 2013
TAXES AND SOCIAL SECURITY				
Assets				
Cash and Cash Equivalents	$ —	$ 224,708	$ 224,689	$ 19
Receivables:				
Accounts	81	—	81	—
Total Assets	$ 81	$ 224,708	$ 224,770	$ 19
Liabilities				
Due To Individuals, Organizations, and Other Governments	$ 81	$ 224,768	$ 224,830	$ 19
Total Liabilities	$ 81	$ 224,768	$ 224,830	$ 19
COUNTY AND LOCAL COLLECTIONS				
Assets				
Cash and Cash Equivalents	$ 111,268	$ 1,428,662	$ 1,423,182	$ 116,748
Investments	1	2,977	2,974	4
Receivables:				
Accounts Receivable	4	6	4	6
Total Assets	$ 111,273	$ 1,431,645	$ 1,426,160	$ 116,758
Liabilities				
Due To Individuals, Organizations, and Other Governments	$ 111,273	$ 1,443,768	$ 1,438,283	$ 116,758
Total Liabilities	$ 111,273	$ 1,443,768	$ 1,438,283	$ 116,758
STATE COURTS				
Assets				
Cash and Cash Equivalents	$ 29,989	$ 93,179	$ 91,462	$ 31,706
Due From Other Funds	—	3	—	3
Total Assets	$ 29,989	$ 93,182	$ 91,462	$ 31,709
Liabilities				
Due To Individuals, Organizations, and Other Governments	$ 29,989	$ 67,582	$ 65,862	$ 31,709
Total Liabilities	$ 29,989	$ 67,582	$ 65,862	$ 31,709
DEPOSITS, SUSPENSE, AND MISCELLANEOUS				
Assets				
Cash and Cash Equivalents	$ 28,512	$ 735,708	$ 741,548	$ 22,672
Investments	24,560	137,868	141,911	20,517
Receivables:				
Accounts Receivable	11,654	1,580	186	13,048
Due From Other Funds	1,508	1,339	1,508	1,339
Total Assets	$ 66,234	$ 876,495	$ 885,153	$ 57,576
Liabilities				
Due To Individuals, Organizations, and Other Governments	$ 66,234	$ 641,155	$ 649,813	$ 57,576
Total Liabilities	$ 66,234	$ 641,155	$ 649,813	$ 57,576
TOTAL — ALL AGENCY FUNDS				
Assets				
Cash and Cash Equivalents	$ 169,769	$ 2,482,257	$ 2,480,881	$ 171,145
Investments	24,561	140,845	144,885	20,521
Receivables:				
Accounts Receivable	11,739	1,586	271	13,054
Due From Other Funds	1,508	1,342	1,508	1,342
Total Assets	$ 207,577	$ 2,626,030	$ 2,627,545	$ 206,062
Liabilities				
Due To Individuals, Organizations, and Other Governments	$ 207,577	$ 2,377,273	$ 2,378,788	$ 206,062
Total Liabilities	$ 207,577	$ 2,377,273	$ 2,378,788	$ 206,062

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Nonmajor Component Units

Comprehensive Health Insurance Pool

The Pool was created as a nonprofit quasi-governmental entity to provide access to health insurance coverage for residents of the State who are considered uninsurable. Ongoing operating costs are recovered through premium charges supplemented with both appropriations from the General Fund and federal grants.

Utah Schools for the Deaf and the Blind

The Schools were created to provide education to individuals with hearing and/or vision impairments, through direct and indirect education services, as well as consultation to their families and service providers.

Military Installation Development Authority

This Authority is an independent, nonprofit entity whose purpose is to provide for the development and improvement of project areas near military installations throughout the State. Operations are funded through service charges, project revenue, and state appropriations.

Heber Valley Historic Railroad Authority

The Authority was created to operate, maintain, improve, and provide for a scenic and historic railway in and around the Heber Valley in Wasatch County. Operations are funded primarily through user charges.

Utah State Fair Corporation

The Corporation was created to operate the State Fair Park and conduct the Utah State Fair and other expositions and entertainment events. Operations are funded by admissions, rentals, donations, and state appropriations.

Colleges and Universities

The colleges and universities are the State's public institutions of higher education. The nonmajor institutions of higher education are:

Weber State University
Southern Utah University
Salt Lake Community College
Utah Valley University
Dixie State University
Snow College
Utah College of Applied Technology

Combining Statement Of Net Position
Nonmajor Component Units

June 30, 2013 (Expressed in Thousands)

	Comprehensive Health Insurance Pool	Utah Schools for the Deaf and the Blind	Military Installation Development Authority	Heber Valley Historic Railroad Authority	Utah State Fair Corporation
ASSETS					
Current Assets:					
Cash and Cash Equivalents	$ 21,102	$ 2,720	$ 2,173	$ —	$ 1,475
Investments	—	—	—	—	—
Receivables:					
Accounts, net	63	748	8	26	120
Notes/Loans/Mortgages/Pledges, net	—	—	—	—	—
Accrued Interest	—	—	—	—	—
Due From Primary Government	—	643	—	—	—
Prepaid Items	10	—	—	—	40
Inventories	—	—	—	35	—
Other Assets	—	—	142	—	—
Total Current Assets	21,175	4,111	2,323	61	1,635
Noncurrent Assets:					
Restricted Investments	—	—	685	—	—
Accounts Receivables, net	—	—	—	—	—
Investments	—	—	—	—	—
Notes/Loans/Mortgages/Pledges Receivables, net	—	—	—	—	—
Other Assets	—	—	—	—	—
Capital Assets (net of Accumulated Depreciation)	—	14,116	2	2,527	693
Total Noncurrent Assets	0	14,116	687	2,527	693
Total Assets	21,175	18,227	3,010	2,588	2,328
LIABILITIES					
Current Liabilities:					
Accounts Payable and Accrued Liabilities	160	1,611	98	350	353
Deposits	—	—	—	—	—
Due To Primary Government	—	333	—	—	—
Unearned Revenue	247	16	—	—	101
Current Portion of Long-term Liabilities	3,511	276	90	275	8
Total Current Liabilities	3,918	2,236	188	625	462
Noncurrent Liabilities:					
Unearned Revenue	—	—	—	—	—
Deposits	—	—	—	—	—
Long-term Liabilities	—	—	2,407	291	7
Total Noncurrent Liabilities	0	0	2,407	291	7
Total Liabilities	3,918	2,236	2,595	916	469
NET POSITION					
Net Investment in Capital Assets	—	14,116	2	2,526	678
Restricted for:					
Nonexpendable:					
Higher Education	—	—	—	—	—
Expendable:					
Higher Education	—	—	—	—	—
Other	—	—	685	—	39
Unrestricted (Deficit)	17,257	1,875	(272)	(854)	1,142
Total Net Position	$ 17,257	$ 15,991	$ 415	$ 1,672	$ 1,859

Weber State University	Southern Utah University	Salt Lake Community College	Utah Valley University	Dixie State University	Snow College	Utah College of Applied Technology	Total Nonmajor Component Units
$ 70,804	$ 28,178	$ 25,452	$ 90,778	$ 22,137	$ 7,857	$ 19,737	$ 292,413
884	9,009	57,684	11,234	2,150	—	969	81,930
5,696	6,195	11,755	5,448	943	642	3,631	35,275
3,066	403	450	3,479	313	70	36	7,817
63	—	—	—	—	42	—	105
—	—	—	—	—	—	—	643
103	4,947	10	177	20	95	187	5,589
3,426	1,045	2,667	3,253	1,186	368	1,578	13,558
340	—	—	—	—	25	—	507
84,382	49,777	98,018	114,369	26,749	9,099	26,138	437,837
15,030	24,796	2,771	54,474	1,975	10,146	—	109,877
2,442	—	—	3,463	362	—	—	6,267
136,452	10,894	24,906	7,532	16,803	6,494	1,167	204,248
10,549	4,485	3,899	10,269	1,512	114	184	31,012
—	1,282	297	3,744	—	279	—	5,602
271,846	130,839	185,862	304,620	136,969	98,893	159,066	1,305,433
436,319	172,296	217,735	384,102	157,621	115,926	160,417	1,662,439
520,701	222,073	315,753	498,471	184,370	125,025	186,555	2,100,276
6,016	5,093	12,440	8,016	2,267	1,698	4,145	42,247
—	505	3,016	557	201	368	484	5,131
8,283	452	2,454	9,602	191	5	661	21,981
6,237	5,142	9,089	7,829	749	361	1,150	30,921
5,441	3,458	5,205	5,545	1,719	1,150	1,802	28,480
25,977	14,650	32,204	31,549	5,127	3,582	8,242	128,760
—	—	—	2,509	—	—	14	2,523
—	—	—	—	—	60	—	60
63,660	20,498	9,647	70,027	15,971	17,454	21,461	221,423
63,660	20,498	9,647	72,536	15,971	17,514	21,475	224,006
89,637	35,148	41,851	104,085	21,098	21,096	29,717	352,766
213,894	110,342	182,243	257,209	121,523	81,141	138,707	1,122,381
76,625	16,382	3,953	16,836	17,449	4,789	898	136,932
50,367	30,757	12,191	35,047	7,952	5,537	4,121	145,972
—	—	—	—	—	—	—	724
90,178	29,444	75,515	85,294	16,348	12,462	13,112	341,501
$ 431,064	$ 186,925	$ 273,902	$ 394,386	$ 163,272	$ 103,929	$ 156,838	$ 1,747,510

Combining Statement Of Activities
Nonmajor Component Units

For the Fiscal Year Ended June 30, 2013 (Expressed in Thousands)

	Comprehensive Health Insurance Pool	Utah Schools for the Deaf and the Blind	Military Installation Development Authority	Heber Valley Historic Railroad Authority	Utah State Fair Corporation
Expenses	$ 35,153	$ 28,417	$ 5,376	$ 1,799	$ 4,436
Program Revenues:					
Charges for Services:					
Tuition and Fees	—	—	—	—	—
Scholarship Allowances	—	—	—	—	—
Sales, Services, and Other Revenues	22,227	4,934	4,672	1,799	3,850
Operating Grants and Contributions	1,611	895	—	—	—
Capital Grants and Contributions	—	—	—	—	—
Total Program Revenues	23,838	5,829	4,672	1,799	3,850
Net (Expenses) Revenues	(11,315)	(22,588)	(704)	0	(586)
General Revenues:					
State Appropriations	8,083	23,379	—	—	675
Unrestricted Investment Income	116	—	8	—	—
Permanent Endowments Contributions	—	—	—	—	—
Total General Revenues	8,199	23,379	8	0	675
Change in Net Position	(3,116)	791	(696)	0	89
Net Position – Beginning	20,373	15,200	1,111	1,672	1,770
Net Position – Ending	$ 17,257	$ 15,991	$ 415	$ 1,672	$ 1,859

Weber State University	Southern Utah University	Salt Lake Community College	Utah Valley University	Dixie State University	Snow College	Utah College of Applied Technology	Total Nonmajor Component Units
$ 207,448	$ 115,493	$ 205,685	$ 274,432	$ 89,768	$ 45,222	$ 95,582	$ 1,108,811
107,707	48,887	87,079	136,337	37,376	11,805	11,423	440,614
(27,464)	(13,801)	(21,068)	(27,252)	(9,121)	(4,625)	(2,483)	(105,814)
22,295	22,442	17,274	23,010	8,855	3,532	7,846	142,736
45,539	25,210	56,358	76,697	25,458	7,762	14,699	254,229
28,725	13,707	81	3,847	7,190	200	15,781	69,531
176,802	96,445	139,724	212,639	69,758	18,674	47,266	801,296
(30,646)	(19,048)	(65,961)	(61,793)	(20,010)	(26,548)	(48,316)	(307,515)
62,950	30,649	68,604	67,617	21,474	20,586	44,502	348,519
11,195	1,480	1,647	4,704	120	213	99	19,582
12,845	1,259	—	955	63	152	—	15,274
86,990	33,388	70,251	73,276	21,657	20,951	44,601	383,375
56,344	14,340	4,290	11,483	1,647	(5,597)	(3,715)	75,860
374,720	172,585	269,612	382,903	161,625	109,526	160,553	1,671,650
$ 431,064	$ 186,925	$ 273,902	$ 394,386	$ 163,272	$ 103,929	$ 156,838	$ 1,747,510

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STATISTICAL SECTION

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STATISTICAL SECTION

Fiscal Year Ended June 30, 2013

This part of the State of Utah's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, notes to the financial statements, and required supplementary information says about the State's overall financial health.

Financial Trends Information

These schedules present trend information to help the reader understand how the State's financial performance and fiscal health have changed over time.

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Revenue Capacity Information

These schedules contain information to help the reader understand the State's capacity to raise revenues and the sources of those revenues.

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Schedule B–2	Revenue Payers by Industry — Taxable Sales, Services, and Use Tax Purchases	224
Schedule B–3	Revenue Payers — Personal Income Tax	225
Schedule B–4	Personal Income Tax Rates	226

Debt Capacity Information

These schedules present information to help the reader understand and assess the State's levels of outstanding debt and the State's ability to issue additional debt in the future.

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Schedule C–2	Other Long-Term Liabilities	230
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Demographic and Economic Information

These schedules contain demographic and economic indicators to help the reader understand the environment within which the State's financial activities take place.

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Operating Information

These schedules offer operating data to help the reader understand how the information in the State's financial report relates to the services it provides and the activities it performs.

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Schedule E–3	Capital Asset Statistics by Function	246

Other Information

These graphs and schedules offer a historical view of expenditures in constant dollars.

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Schedule F–2	Per Capita Expenditures — Historical and Constant Dollars	249

Sources: Unless otherwise noted, the information in the following schedules is derived from the State of Utah Comprehensive Annual Financial Report.

Net Position by Component

Last Ten Fiscal Years

(Accrual Basis of Accounting) (Expressed in Thousands)

	Fiscal Year			
	2004	**2005**	**2006**	**2007**
Governmental Activities				
Net Investment in Capital Assets	$ 7,942,495	$ 8,197,279	$ 8,719,751	$ 9,465,667
Restricted [1]	1,237,258	1,518,523	2,379,269	3,043,599
Unrestricted [1]	408,145	690,177	856,207	1,163,548
Total Governmental Activities Net Position	9,587,898	10,405,979	11,955,227	13,672,814
Business-type Activities				
Net Investment in Capital Assets	24,141	28,419	32,068	13,008
Restricted [2]	807,224	928,115	1,139,691	1,334,737
Unrestricted [3]	724,154	793,099	893,118	971,435
Total Business-type Activities Net Position	1,555,519	1,749,633	2,064,877	2,319,180
Primary Government				
Net Investment in Capital Assets	7,966,636	8,225,698	8,751,819	9,478,675
Restricted	2,044,482	2,446,638	3,518,960	4,378,336
Unrestricted	1,132,299	1,483,276	1,749,325	2,134,983
Total Primary Government Net Position	$ 11,143,417	$ 12,155,612	$ 14,020,104	$ 15,991,994

Notes: This schedule has been restated for prior period adjustments, which were made to the fiscal year and preceding fiscal year in which the prior period adjustment was identified.

[1] From fiscal years 2004 to 2007, governmental activities' restricted and unrestricted net position increased due to higher tax revenues from a strengthening economy. In fiscal years 2008 to 2010, governmental activities' restricted net position decreased as the economy slowed and tax revenues declined. In fiscal years 2011 to 2013 restricted net position increased due to slightly higher revenues from a strengthening economy.

[2] From fiscal years 2005 to 2008, business-type activities' restricted net position increased due to unemployment revenues exceeding related claims. In fiscal year 2009, the weak economy caused an increase in unemployment claims, which in turn caused a decrease in the restricted net position of business-type activities. From 2010 to 2013, restricted net position has continued to steadily increase due to unemployment revenues exceeding related claims.

[3] In fiscal years 2006 to 2009, business-type activities' unrestricted net position increased primarily due to the State providing additional capital to the loan funds from mineral lease revenues.

Fiscal Year					
2008	**2009**	**2010**	**2011**	**2012**	**2013**
$ 10,447,357	$ 11,306,077	$ 12,005,321	$ 12,358,579	$ 12,773,959	$ 13,481,005
2,618,556	2,349,499	2,009,168	2,337,607	2,601,082	3,109,982
1,169,342	689,052	895,517	1,055,226	1,083,417	1,175,092
14,235,255	14,344,628	14,910,006	15,751,412	16,458,458	17,766,079
13,837	13,751	13,061	12,862	13,293	14,012
1,434,828	1,269,006	1,272,090	1,311,865	1,463,006	1,651,369
1,037,893	1,080,231	937,452	984,552	1,053,270	1,094,041
2,486,558	2,362,988	2,222,603	2,309,279	2,529,569	2,759,422
10,461,194	11,319,828	12,018,382	12,371,441	12,787,252	13,495,017
4,053,384	3,618,505	3,281,258	3,649,472	4,064,088	4,761,351
2,207,235	1,769,283	1,832,969	2,039,778	2,136,687	2,269,133
$ 16,721,813	$ 16,707,616	$ 17,132,609	$ 18,060,691	$ 18,988,027	$ 20,525,501

Changes in Net Position
Last Ten Fiscal Years

(Accrual Basis of Accounting) (Expressed in Thousands)

	Fiscal Year			
	2004	**2005**	**2006**	**2007**
GOVERNMENTAL ACTIVITIES				
Expenses				
General Government	$ 187,544	$ 240,091	$ 289,749	$ 328,779
Human Services and Juvenile Justice Services	576,276	573,154	595,337	634,265
Corrections	197,043	195,716	208,922	237,305
Public Safety	150,772	162,922	182,042	172,912
Courts	97,894	98,319	109,180	115,811
Health and Environmental Quality [1]	1,341,059	1,461,016	1,635,544	1,620,936
Higher Education	781,468	694,732	810,228	824,503
Employment and Family Services	384,457	409,334	405,845	393,938
Natural Resources	119,188	121,714	133,441	174,711
Community and Culture	88,339	86,065	84,843	108,110
Business, Labor and Agriculture	72,693	84,992	90,573	92,441
Public Education [2]	2,033,153	2,169,071	2,321,139	2,548,391
Transportation	512,704	545,498	602,730	658,759
Interest and Other Charges on Long-Term Debt	75,935	76,382	70,345	64,019
Total Expenses	6,618,525	6,919,006	7,539,918	7,974,880
Program Revenues				
Charges for Services:				
General Government	96,780	99,303	121,067	156,111
Human Services and Juvenile Justice Services	11,918	13,193	11,073	10,889
Corrections	7,260	2,138	4,483	4,624
Public Safety	31,147	31,594	32,777	43,806
Courts	32,991	46,468	47,330	46,158
Health and Environmental Quality	84,251	108,406	98,296	84,938
Higher Education	231	282	115	235
Employment and Family Services	9,139	6,414	8,492	3,532
Natural Resources	41,554	44,842	50,308	45,367
Community and Culture	1,427	4,420	5,368	4,833
Business, Labor and Agriculture	55,906	61,637	64,098	63,240
Public Education	38,209	59,213	85,867	69,471
Transportation	108,302	103,518	138,300	155,203
Operating Grants and Contributions	2,347,065	2,436,116	2,744,231	2,769,644
Capital Grants and Contributions	105,149	124,836	100,519	122,939
Total Program Revenues	2,971,329	3,142,380	3,512,324	3,580,990
Net Program (Expense) — Governmental Activities	(3,647,196)	(3,776,626)	(4,027,594)	(4,393,890)
General Revenues and Other Changes in Net Position				
Taxes:				
Sales Tax and Use Tax [3]	1,547,174	1,697,720	1,921,048	2,131,958
Individual Income Tax Imposed for Education [3]	1,760,844	2,001,286	2,496,911	2,667,207
Corporate Tax Imposed for Education [3]	165,921	209,403	379,801	412,720
Motor and Special Fuel Taxes Imposed for Transportation	332,673	335,625	356,176	353,107
Other Taxes	234,777	275,755	316,980	320,204
Unrestricted Investment Income	7,818	17,690	46,856	89,795
Gain on Sale of Capital Assets	13,072	23,010	46,084	52,139
Federal Appropriation–Jobs and Growth Relief	37,970	—	—	—
Miscellaneous	30,117	24,781	31,999	37,569
Transfers–Internal Activities	13,408	9,437	(19,013)	46,778
Prior Period Adjustments and Restatements	120,425	—	—	—
Total General Revenues and Other Changes in Net Position	4,264,199	4,594,707	5,576,842	6,111,477
Change in Net Position — Governmental Activities – Increase (Decrease)	617,003	818,081	1,549,248	1,717,587

Fiscal Year					
2008	**2009**	**2010**	**2011**	**2012**	**2013**
$ 385,331	$ 390,373	$ 383,925	$ 402,543	$ 418,346	$ 403,979
679,920	700,307	669,169	648,456	646,565	671,831
255,319	254,980	238,902	243,616	249,569	255,679
191,910	189,069	184,197	204,627	241,101	254,503
125,587	123,209	118,577	123,604	123,405	124,660
1,649,209	1,812,067	1,875,775	2,001,233	2,148,195	2,261,781
912,998	997,218	837,479	828,660	1,115,301	884,775
423,122	514,915	672,852	707,019	712,388	781,305
159,955	174,730	166,749	187,164	157,145	178,670
132,687	139,840	177,823	159,755	154,759	26,063
95,563	101,995	96,895	94,397	100,385	99,655
2,959,311	3,033,574	3,007,905	3,058,046	3,000,117	3,096,089
782,194	785,692	704,886	721,240	738,877	836,488
58,851	52,070	87,393	104,887	121,192	112,994
8,811,957	9,270,039	9,222,527	9,485,247	9,927,345	9,988,472
257,537	154,794	169,808	140,794	178,354	182,731
10,840	13,359	12,851	12,140	11,905	18,204
5,332	5,211	6,520	5,988	4,715	4,743
49,247	51,475	53,504	55,394	57,257	61,543
46,517	48,957	77,953	57,959	56,148	53,900
65,666	64,328	88,504	150,763	230,318	268,753
31	32,981	419	90	194	—
7,413	8,067	(2,715)	10,476	11,802	16,602
64,407	71,266	70,780	73,645	79,577	85,685
5,278	3,632	5,030	5,804	3,148	2,316
68,622	65,376	74,400	67,582	83,758	86,962
100,919	79,462	73,962	71,757	80,425	82,676
183,369	254,064	275,154	254,682	339,488	249,288
2,658,284	3,177,737	3,865,150	4,079,907	3,704,709	3,802,274
144,867	145,353	204,237	109,669	157,564	114,156
3,668,329	4,176,062	4,975,557	5,096,650	4,999,362	5,029,833
(5,143,628)	(5,093,977)	(4,246,970)	(4,388,597)	(4,927,983)	(4,958,639)
2,006,926	1,762,745	1,735,023	1,812,271	1,931,045	2,054,290
2,435,059	2,336,528	2,027,884	2,384,025	2,525,082	2,969,128
409,794	252,095	272,535	226,726	284,666	331,080
350,426	337,395	340,568	355,042	351,346	351,553
333,545	354,982	328,703	397,908	415,190	399,788
63,947	29,267	5,575	7,480	8,464	6,726
26,980	15,583	10,927	19,727	17,294	30,580
—	—	—	—	—	—
41,659	46,375	35,288	35,403	58,851	46,884
37,733	38,953	55,845	47,431	43,091	76,231
—	28,447	—	(56,010)	—	—
5,706,069	5,202,370	4,812,348	5,230,003	5,635,029	6,266,260
562,441	108,393	565,378	841,406	707,046	1,307,621

Continues

Changes in Net Position
Last Ten Fiscal Years

(Accrual Basis of Accounting) (Expressed in Thousands)

	Fiscal Year			
	2004	**2005**	**2006**	**2007**
BUSINESS-TYPE ACTIVITIES				
Expenses				
Student Assistance Programs	$ 82,406	$ 95,495	$ 152,895	$ 174,220
Unemployment Compensation [4]	242,828	142,632	102,476	97,692
Water Loan Programs	6,730	8,648	6,560	13,042
Community and Economic Loan Programs	1,199	1,160	1,570	1,136
Liquor Retail Sales	106,515	114,897	126,114	143,721
Other Business-type Activities	23,450	25,317	27,581	31,404
Total Expenses	463,128	388,149	417,196	461,215
Program Revenues				
Charges for Services:				
Student Assistance Programs	72,823	87,375	112,960	126,498
Unemployment Compensation	158,466	221,298	253,809	219,690
Water Loan Programs	9,160	9,796	10,715	10,634
Community and Economic Loan Programs	5,344	5,245	5,394	5,876
Liquor Retail Sales	143,634	153,004	173,400	195,276
Other Business-type Activities	27,401	30,865	32,826	39,753
Operating Grants and Contributions [5]	92,141	65,173	109,140	138,252
Total Program Revenues	508,969	572,756	698,244	735,979
Net Program Revenue (Expense) — Business-type Activities	45,841	184,607	281,048	274,764
General Revenues and Other Changes in Net Position				
Taxes:				
Sales Tax and Use Tax	14,402	14,874	14,875	25,440
Unrestricted Investment Income	1,627	3,844	—	—
Gain on Sale of Capital Assets	—	226	308	—
Miscellaneous	—	—	—	877
Federal Appropriation–Jobs and Growth Relief	462	—	—	—
Transfers–Internal Activities	(13,408)	(9,437)	19,013	(46,778)
Prior Period Adjustments and Restatements	2,146	—	—	—
Total General Revenues and Other Changes in Net Position	5,229	9,507	34,196	(20,461)
Change in Net Position — Business-type Activities – Increase (Decrease)	51,070	194,114	315,244	254,303
Total Primary Government Change in Net Position	$ 668,073	$ 1,012,195	$ 1,864,492	$ 1,971,890

Notes: Legislative action created the Governor's Office of Economic Development in fiscal year 2006. This action moved activities from community and culture to the general government. Federal aeronautics revenues and expenditures were reevaluated and now have been reclassified as agency funds. Reductions were made in fiscal year 2013 and in prior years. This schedule also has been restated for prior period adjustments, which were made to the fiscal year and preceding fiscal year in which the prior period adjustment was identified.

[1] Expenses for health and environmental quality have increased over the last ten fiscal years due to rising Medicaid program costs.

[2] Public education expenses continue to increase for both enrollment growth and benefit-related costs for educators.

[3] From fiscal years 2005 to 2007, general tax revenues, specifically sales and use taxes, individual income taxes, and corporate taxes, increased significantly compared to prior years due to Utah's continued economic improvement. In fiscal years 2008 to 2010, general tax revenues declined due to the recessionary economy. In fiscal years 2011 to 2013, general tax revenues increased due to slightly higher revenues from a strengthening economy.

Fiscal Year					
2008	**2009**	**2010**	**2011**	**2012**	**2013**
$ 164,411	$ 144,007	$ 156,754	$ 93,422	$ 111,662	$ 99,379
148,424	489,925	872,826	642,023	436,880	307,444
10,477	12,900	31,971	38,069	19,045	12,828
2,310	2,349	2,166	1,770	2,604	2,420
160,635	168,844	180,401	190,373	201,976	213,395
33,417	35,635	30,886	33,796	47,341	75,361
519,674	853,660	1,275,004	999,453	819,508	710,827
117,246	89,805	109,804	71,966	66,312	63,727
157,624	144,383	170,224	296,847	380,533	384,114
12,135	12,234	13,875	10,584	13,710	13,464
6,524	7,838	9,033	10,583	11,843	11,152
219,801	228,474	238,767	252,225	272,363	293,978
44,140	49,437	41,527	44,230	33,555	39,010
143,853	214,876	546,840	421,016	276,762	185,150
701,323	747,047	1,130,070	1,107,451	1,055,078	990,595
181,649	(106,613)	(144,934)	107,998	235,570	279,768
23,462	22,976	22,206	21,819	24,264	25,891
—	—	—	—	—	—
—	—	—	—	—	—
—	—	38,188	4,290	3,547	425
—	—	—	—	—	—
(37,733)	(38,953)	(55,845)	(47,431)	(43,091)	(76,231)
—	—	—	—	—	—
(14,271)	(15,977)	4,549	(21,322)	(15,280)	(49,915)
167,378	(122,590)	(140,385)	86,676	220,290	229,853
$ 729,819	$ (14,197)	$ 424,993	$ 928,082	$ 927,336	$ 1,537,474

[4] From fiscal years 2004 to 2007 unemployment compensation expenses decreased, reflecting Utah's improved employment. However, beginning in fiscal year 2008 and continuing in fiscal year 2010, unemployment compensation expenses increased significantly as the economy continued to weaken at a faster pace than in prior years. In fiscal years 2011 to 2013, expenses decreased reflecting Utah's improving economy and employment.

[5] In fiscal years 2012 and 2013, operating grants and contributions decreased significantly from the two prior years, primarily due to a decrease in federal programs funded in part by the *American Recovery and Reinvestment Act* in the Unemployment Compensation Fund and reductions of operating grants in loan related programs.

Fund Balances — Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting) (Expressed in Thousands)

	Fiscal Year			
	2004	**2005**	**2006**	**2007**
General Fund				
Nonspendable:				
Long-term Portion of Interfund Loans Receivable [1]	$ —	$ —	$ —	$ —
Prepaid Items [1]	—	—	—	—
Inventories	—	—	—	—
Restricted	—	—	—	—
Committed	—	—	—	—
Assigned	—	—	—	—
Unassigned	—	—	—	—
Total General Fund	0	0	0	0
All Other Governmental Funds				
Nonspendable:				
Inventories	$ —	$ —	$ —	$ —
Permanent Fund Principal [2]	—	—	—	—
Restricted	—	—	—	—
Committed [3]	—	—	—	—
Assigned [4]	—	—	—	—
Total All Other Governmental Funds	0	0	0	0
Total Fund Balances — Governmental Funds	$ 0	$ 0	$ 0	$ 0
General Fund				
Reserved [5]	$ 214,063	$ 262,360	$ 300,497	$ 411,600
Unreserved [6]	271,890	391,619	568,639	667,972
Total General Fund	485,953	653,979	869,136	1,079,572
All Other Governmental Funds				
Reserved	831,812	1,048,146	1,287,525	1,558,607
Unreserved reported in:				
Special Revenue Funds	643,340	737,746	1,096,485	1,473,424
Capital Projects [7]	(15,380)	(71,127)	(93,248)	(107,624)
Debt Service	5,787	5,881	14,332	17,801
Total All Other Governmental Funds	1,465,559	1,720,646	2,305,094	2,942,208
Total Fund Balances — Governmental Funds	$ 1,951,512	$ 2,374,625	$ 3,174,230	$ 4,021,780

Notes: Beginning fiscal year 2010, the fund balance categories were reclassified as a result of implementing GASB Statement 54. Fund balance has not been restated for prior years.

This schedule also has been restated for prior period adjustments, which were made to the fiscal year and preceding fiscal year in which the prior period adjustment was identified.

[1] In fiscal years 2012 and 2013, the nonspendable fund balance within the general fund increased due to prepaid items identified in fiscal year 2012, and an increase in prepaid items for the current year. In fiscal year 2013, nonspendable fund balance within the general fund also increased due to an increase in the long-term portion of revolving loans within Internal Service Funds.

[2] In fiscal year 2013, the nonspendable fund balance within other governmental funds increased due to positive investment earnings as a result of the rebounding economy.

[3] In fiscal years 2012 and 2013, the committed fund balance within other governmental funds increased as a result of sales and use tax diversions for transportation projects.

Fiscal Year						
2008	**2009**	**2010**	**2011**	**2012**	**2013**
$ —	$ —	$ 2,861	$ 10,134	$ 13,537	$ 44,360
—	—	—	—	23,450	67,790
—	—	411	538	662	800
—	—	35,171	31,523	39,745	41,931
—	—	371,354	445,540	489,487	496,795
—	—	222,963	212,002	159,082	193,770
—	—	14,884	609	11,342	—
0	0	647,644	700,346	737,305	845,446
$ —	$ —	$ 11,646	$ 10,523	$ 11,583	$ 11,980
—	—	1,066,568	1,355,565	1,436,623	1,690,261
—	—	1,333,776	1,191,591	1,089,030	1,094,754
—	—	347,254	390,278	631,983	692,395
—	—	92,806	174,737	112,015	63,586
0	0	2,852,050	3,122,694	3,281,234	3,552,976
$ 0	$ 0	$ 3,499,694	$ 3,823,040	$ 4,018,539	$ 4,398,422
$ 470,800	$ 305,224	$ —	$ —	$ —	$ —
394,068	327,467	—	—	—	—
864,868	632,691	0	0	0	0
1,867,469	1,892,734	—	—	—	—
975,035	807,356	—	—	—	—
57,027	(13,219)	—	—	—	—
20,801	5,210	—	—	—	—
2,920,332	2,692,081	0	0	0	0
$ 3,785,200	$ 3,324,772	$ 0	$ 0	$ 0	$ 0

[4] In fiscal year 2011, the assigned fund balance within other governmental funds increased as more funding was available for capital projects. In fiscal year 2013, the assigned fund balance decreased as less funding was assigned for capital projects.

[5] In fiscal year 2009, general fund reserved fund balances decreased due to less reserves available as a result of the slowing economy.

[6] From fiscal years 2004 to 2007, general fund unreserved fund balances increased due to higher tax revenues from a strengthening economy. In fiscal years 2008 and 2009, general fund unreserved fund balances decreased as the State's economy slowed. Sales and use tax diversions along with reductions in the sales tax rate also contributed to the decrease in tax revenues in the general fund.

[7] From fiscal years 2004 to 2007, and again in fiscal year 2009, unreserved fund balance for capital projects reported a deficit balance as a result of outstanding encumbrances on various capital projects. Appropriations and bond proceeds available in subsequent fiscal years will fund these deficits.

Changes in Fund Balances — Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting) (Expressed in Thousands)

	Fiscal Year			
	2004	**2005**	**2006**	**2007**
Revenues				
Sales and Use Tax [1]	$ 1,553,909	$ 1,699,636	$ 1,915,600	$ 2,109,732
Individual Income Tax [1]	1,706,774	1,946,593	2,324,365	2,589,252
Corporate Tax [1]	165,893	209,304	379,624	411,929
Motor and Special Fuels Tax	327,838	336,417	344,902	366,446
Other Taxes	234,774	275,715	316,994	320,204
Federal Contracts and Grants [2]	2,295,428	2,366,786	2,524,022	2,480,016
Charges for Services/Royalties	286,879	330,998	405,013	412,411
Licenses, Permits, and Fees	103,635	121,382	113,684	120,349
Federal Mineral Lease	67,216	82,704	156,851	145,985
Intergovernmental	11,395	4,104	9,109	23,332
Investment Income [3]	69,314	71,538	116,215	240,988
Miscellaneous and Other	204,331	231,708	239,901	261,617
Total Revenues	7,027,386	7,676,885	8,846,280	9,482,261
Expenditures				
General Government	176,907	178,891	239,838	268,775
Human Services and Juvenile Justice Services	553,136	576,871	593,392	627,598
Corrections	188,951	198,030	205,310	229,198
Public Safety	150,353	163,072	179,622	172,427
Courts	102,302	107,807	114,111	119,650
Health and Environmental Quality [4]	1,342,903	1,461,618	1,634,619	1,620,400
Higher Education–State Administration	32,827	39,121	43,505	49,064
Higher Education–Colleges and Universities	614,922	637,087	675,267	708,063
Employment and Family Services	394,926	417,037	413,380	406,532
Natural Resources	121,461	123,195	140,592	171,014
Heritage and Arts	89,051	87,621	85,231	108,592
Business, Labor, and Agriculture	72,124	85,115	89,255	91,162
Public Education [5]	2,033,259	2,168,896	2,322,871	2,547,421
Transportation [6] [7]	785,267	797,869	761,744	813,315
Capital Outlay [8]	173,869	139,488	347,048	560,108
Debt Service — Principal Retirement	124,498	183,911	152,746	159,862
Debt Service — Interest and Other Charges	87,462	89,768	82,690	75,149
Total Expenditures	7,044,218	7,455,397	8,081,221	8,728,330
Revenues Over (Under) Expenditures	(16,832)	221,488	765,059	753,931
Other Financing Sources (Uses)				
General Obligation Bonds Issued [8]	—	140,635	—	—
Revenue Bonds Issued	16,377	18,430	—	—
Refunding Bonds Issued	319,230	22,066	—	—
Premium on Bonds Issued	35,729	12,039	—	—
Payment of Current Bond Refunding	(5,050)	—	—	—
Payment to Refunded Bond Escrow Agent	(349,244)	(23,212)	—	—
Capital Leases/Contracts Issued	11,498	—	—	—
Sale of Capital Assets	13,066	18,070	50,679	47,193
Transfers In	572,766	852,989	935,723	3,721,041
Transfers Out	(555,468)	(839,392)	(952,798)	(3,674,615)
Prior Period Adjustments and Restatements	(1,360)	—	942	—
Total Other Financing Sources (Uses)	57,544	201,625	34,546	93,619
Net Change in Fund Balances	$ 40,712	$ 423,113	$ 799,605	$ 847,550
Debt Service as a Percentage of Noncapital Expenditures	3.22 %	3.87 %	3.11 %	2.95 %

Notes: Legislative action created the Governor's Office of Economic Development in fiscal year 2006. This action moved activities from heritage and arts to general government. Federal aeronautics revenues and expenditures were reevaluated and now have been reclassified as agency funds. Reductions were made in fiscal year 2013 and in prior years. This schedule also has been restated for prior period adjustments, which were made to the fiscal year and preceding fiscal year in which the prior period adjustment was identified.

[1] From fiscal years 2005 to 2007, tax revenues, specifically sales and use taxes, individual income taxes, and corporate taxes, increased significantly compared to prior years due to Utah's continued economic improvement. In fiscal year 2009, tax revenues decreased significantly as the economy slowed. Sales and use tax diversions along with a reduction in the sales tax rate also contributed to this decrease. In fiscal years 2011 to 2013, tax revenues increased due to a rebounding economy.

[2] In fiscal years 2009 and 2010, federal contracts and grants increased in part due to funding provided by the American Recovery and Reinvestment Act.

[3] In fiscal year 2009, the decrease in the fair value of investments for the permanent fund created a negative revenue. In fiscal year 2013, investment income increased due to an increase in the fair value of investments as the result of a rebounding economy.

Fiscal Year					
2008	**2009**	**2010**	**2011**	**2012**	**2013**
$ 2,031,239	$ 1,761,224	$ 1,733,412	$ 1,812,011	$ 1,934,035	$ 2,057,581
2,560,394	2,340,400	2,124,173	2,332,562	2,518,373	2,865,195
410,586	249,177	266,961	230,888	285,541	329,726
357,664	337,529	341,196	352,918	353,299	351,197
333,542	354,713	328,753	397,248	414,744	400,111
2,574,585	3,207,110	3,713,771	3,626,354	3,561,512	3,489,515
468,451	463,248	463,436	528,568	625,831	677,119
121,882	128,212	179,947	188,998	183,630	185,976
134,404	172,642	129,377	135,979	183,739	138,122
12,884	9,446	28,659	18,537	34,407	32,704
46,716	(132,523)	118,541	274,797	46,133	221,139
373,047	382,614	356,004	332,722	393,010	305,267
9,425,394	9,273,792	9,784,230	10,231,582	10,534,254	11,053,652
319,389	325,076	313,981	316,440	354,486	360,759
677,234	701,099	667,192	646,411	645,418	669,091
251,216	255,448	235,411	238,090	245,829	251,118
196,008	213,038	199,731	207,426	239,453	255,727
131,261	129,125	136,373	128,676	127,066	129,693
1,648,841	1,812,488	1,873,264	2,008,356	2,144,101	2,254,252
64,587	60,224	52,084	48,836	49,359	51,901
793,283	782,650	734,440	718,026	721,074	735,438
432,955	519,741	673,329	703,786	706,181	776,262
174,120	178,306	161,640	189,430	153,698	178,330
132,413	140,453	178,258	160,338	155,575	27,344
96,072	101,966	96,579	93,149	99,689	99,828
2,960,873	3,035,519	3,002,318	3,059,351	2,999,706	3,097,161
1,030,793	1,249,080	1,204,955	946,692	1,064,449	951,277
566,955	607,794	1,007,219	1,236,168	973,206	524,582
193,292	180,613	189,041	223,952	266,300	309,268
139,883	64,675	113,876	142,452	168,047	154,472
9,809,175	10,357,295	10,839,691	11,067,579	11,113,637	10,826,503
(383,781)	(1,083,503)	(1,055,461)	(835,997)	(579,383)	227,149
75,000	498,810	982,170	1,034,970	609,920	33,240
—	—	101,595	—	5,250	1,900
—	—	—	196,610	—	22,612
1,557	45,445	65,853	94,689	92,558	8,346
—	—	—	—	—	—
—	—	—	(234,873)	—	(24,358)
2,131	2,010	11,122	—	—	2,824
30,824	28,035	13,966	20,256	22,158	31,243
4,550,400	3,606,534	929,044	1,125,598	1,097,387	1,360,691
(4,512,711)	(3,557,759)	(873,367)	(1,077,907)	(1,052,391)	(1,283,764)
—	—	—	—	—	—
147,201	623,075	1,230,383	1,159,343	774,882	152,734
$ (236,580)	$ (460,428)	$ 174,922	$ 323,346	$ 195,499	$ 379,883
3.72 %	2.66 %	3.28 %	3.83 %	4.44 %	4.59 %

[4] Expenditures for health and environmental quality have increased over the last ten fiscal years due to rising

[5] Public education expenditures continue to increase for both enrollment growth and benefit-related costs for educators.

[6] In fiscal year 2012, the Transportation Investment Fund was reclassified as a capital projects fund. Expenditures relating to this fund have been reclassified from Transportation expenditures to Capital Outlay beginning in fiscal year 2006, at the inception of the fund.

[7] Expenditures for Transportation increased in fiscal years 2007 to 2010 as existing fund balances and federal resources were used to address the State's transportation infrastructure needs.

[8] Expenditures for Capital Outlay increased in fiscal years 2010 to 2011 as additional funding through bond proceeds were used to address the State's transportation infrastructure needs.

Revenue Base
Last Ten Calendar Years

(Expressed in Thousands)

	Calendar Year			
	2003	**2004**	**2005**	**2006**
Taxable Sales, Services, and Use Tax Purchases [1]				
Agriculture, Forestry, and Fishing	$ 41,251	$ 44,957	$ 69,102	$ 75,432
Mining	141,246	195,448	284,634	407,292
Construction	305,795	368,876	512,075	711,035
Manufacturing	1,392,412	1,691,533	2,027,777	2,507,326
Transportation	89,823	128,218	171,898	201,036
Communications and Utilities	2,833,309	3,080,330	3,248,719	3,557,949
Wholesale Trade	3,105,001	3,611,473	4,265,754	5,087,766
Retail	19,559,540	21,013,848	22,897,441	25,784,902
Finance, Insurance, and Real Estate	390,057	355,012	384,754	412,926
Services	4,005,676	4,179,256	4,747,385	5,261,263
Public Administration	93,453	83,973	106,941	114,007
Prior Period Payments and Refunds	602,479	557,951	524,772	674,846
Total Taxable Sales, Services and Use Tax Purchases	$ 32,560,042	$ 35,310,875	$ 39,241,252	$ 44,795,780
State Sales Tax Rate	4.75 %	4.75 %	4.75 %	4.75 %
Personal Income by Industry				
Federal Civilian	$ 2,492,786	$ 2,653,711	$ 2,828,004	$ 3,000,038
Federal Military	774,489	822,440	916,809	897,529
State and Local Government	6,445,482	6,673,566	7,051,503	7,480,210
Forestry, Fishing, and Related Activities	47,103	52,897	52,739	60,473
Mining	506,149	619,763	742,685	991,905
Utilities	352,674	376,006	395,148	470,178
Construction	3,994,736	4,336,227	4,898,246	5,802,670
Manufacturing	5,878,018	6,199,153	6,515,083	7,094,929
Wholesale Trade	2,214,233	2,401,466	2,644,323	2,910,463
Retail Trade	4,014,382	4,319,308	4,547,285	4,991,846
Transportation and Warehousing	2,261,435	2,431,034	2,623,687	2,727,491
Information	1,585,367	1,671,777	1,877,289	1,848,632
Financial, Insurance, Real Estate, Rental, and Leasing	4,046,606	4,262,738	4,645,983	5,085,088
Services	15,711,546	16,939,639	18,166,572	20,219,576
Farm Earnings	225,678	317,046	286,894	166,993
Other [2]	10,934,160	11,375,826	13,337,726	14,630,380
Total Personal Income	$ 61,484,844	$ 65,452,597	$ 71,529,976	$ 78,378,401
Highest Income Tax Rate	7.00 %	7.00 %	7.00 %	6.98 %

Sources: Taxable Sales, Services, and Use Tax Purchases — Utah State Tax Commission;
Personal Income by Industry — U.S. Department of Commerce, Bureau of Economic Analysis and the Utah Department of Workforce Services. Prior year information has been updated with the most recent data available.

[1] Taxable Sales, Services, and Use Tax Purchases utilize American Industrial Classification codes starting in 2008. Prior to 2008 are based on Standard Industrial Classification codes.

[2] Other personal income includes dividends, interest, rents, residence adjustment, government transfers to individuals, and deduction for social insurance contributions.

Calendar Year					
2007	**2008**	**2009**	**2010**	**2011**	**2012**
$ 73,621	$ 10,822	$ 10,938	$ 12,747	$ 14,082	$ 14,439
477,342	923,107	560,727	757,601	848,168	962,510
792,084	785,217	685,598	662,141	654,043	745,682
2,678,207	2,635,317	2,079,294	2,082,345	2,209,327	2,287,910
205,763	169,209	150,891	236,609	274,577	126,614
3,591,019	4,138,623	4,060,387	4,147,437	4,250,457	4,491,664
5,318,425	4,637,872	3,457,754	3,615,569	4,065,152	4,661,288
27,428,307	24,972,519	22,613,395	21,480,510	22,794,901	24,719,254
429,446	1,803,420	1,430,640	1,328,491	1,337,530	1,319,866
5,689,281	6,889,315	6,289,414	6,737,174	7,137,503	7,672,882
116,614	224,402	225,935	224,668	229,227	243,056
889,925	193,380	359,249	622,276	339,856	561,824
$ 47,690,034	$ 47,383,203	$ 41,924,222	$ 41,907,568	$ 44,154,823	$ 47,806,989
4.75 %	4.65 %	4.70 %	4.70 %	4.70 %	4.70 %
$ 3,136,970	$ 3,138,234	$ 3,262,129	$ 3,427,143	$ 3,556,359	$ 3,410,246
911,267	956,758	1,059,773	1,066,165	1,023,592	1,003,537
7,994,668	8,619,692	8,996,163	9,056,491	9,440,193	9,760,095
68,862	64,322	56,230	59,568	69,173	73,549
1,071,608	1,325,928	905,190	939,571	1,134,370	1,234,056
454,072	520,216	500,769	517,919	531,434	551,321
6,366,934	5,938,557	4,880,333	4,851,542	5,033,034	5,485,596
7,603,852	7,987,992	7,243,424	7,523,277	7,787,202	8,255,526
3,219,149	3,313,418	3,145,582	3,142,845	3,473,443	3,702,044
5,414,830	5,409,252	5,248,220	5,352,492	5,478,538	5,949,806
3,025,714	2,943,658	2,818,544	2,871,728	2,977,382	3,070,190
1,855,191	1,911,065	1,837,118	1,931,461	2,146,263	2,302,167
5,180,794	5,592,421	5,432,615	5,578,130	6,113,185	6,100,460
21,817,272	22,905,660	22,798,279	23,756,996	24,676,881	25,909,466
197,116	216,580	105,542	202,854	266,260	230,351
16,787,369	19,766,570	18,640,550	19,972,051	20,693,761	21,758,758
$ 85,105,668	$ 90,610,323	$ 86,930,461	$ 90,250,233	$ 94,401,070	$ 98,797,168
6.98 %	5.00 %	5.00 %	5.00 %	5.00 %	5.00 %

Revenue Payers by Industry —
Taxable Sales, Services, and Use Tax Purchases
Most Current Calendar Year and Historical Comparison

Schedule B–2

(Expressed in Thousands)

	Calendar Year 2003		Calendar Year 2012	
	Taxable Sales and Purchases	**Percent of Total**	**Taxable Sales and Purchases**	**Percent of Total**
Agriculture, Forestry, and Fishing	$ 41,251	0.1 %	$ 14,439	0.0 %
Mining	141,246	0.4 %	962,510	2.0 %
Construction	305,795	0.9 %	745,682	1.6 %
Manufacturing	1,392,412	4.3 %	2,287,910	4.8 %
Transportation	89,823	0.3 %	126,614	0.3 %
Communications and Utilities	2,833,309	8.7 %	4,491,664	9.4 %
Wholesale Trade	3,105,001	9.5 %	4,661,288	9.8 %
Retail	19,559,540	60.1 %	24,719,254	51.6 %
Finance, Insurance, and Real Estate	390,057	1.2 %	1,319,866	2.8 %
Services	4,005,676	12.3 %	7,672,882	16.0 %
Public Administration	93,453	0.3 %	243,056	0.5 %
Prior Period Payments, Refunds	602,479	1.9 %	561,824	1.2 %
Total Taxable Sales, Services, and Use Tax Purchases	$ 32,560,042	100.0 %	$ 47,806,989	100.0 %
State Sales Tax Rates	4.75 % except 2.00 % for Communications and Utilities		4.70 % except 2.00 % for Communications and Utilities	

Source: Utah State Tax Commission

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the State's revenue. The most current period available for taxable sales, services, and use tax purchases is calendar year 2012.

State of Utah

Revenue Payers — Personal Income Tax

Schedule B–3

Most Current Calendar Year and Historical Comparison

(Dollars Expressed in Thousands)

	Calendar Year 2002				Calendar Year 2011			
	Number of Filers	**Percent of Total**	**Tax Liability**	**Percent of Total**	**Number of Filers**	**Percent of Total**	**Tax Liability**	**Percent of Total**
Adjusted Gross Income Class								
$10,000 and under	181,895	20.4 %	$ 3,681	0.3 %	165,656	15.7 %	$ 464	0.0 %
$10,001–20,000	155,825	17.4 %	34,949	2.4 %	159,086	15.1 %	20,718	1.0 %
$20,001–30,000	126,245	14.1 %	75,466	5.1 %	138,212	13.1 %	58,536	2.7 %
$30,001–40,000	95,711	10.7 %	101,316	6.9 %	108,798	10.3 %	93,044	4.4 %
$40,001–50,000	79,341	8.9 %	123,863	8.4 %	87,164	8.3 %	117,237	5.5 %
$50,001–75,000	133,770	14.9 %	324,626	22.1 %	162,917	15.5 %	359,997	16.9 %
$75,001–100,000	63,099	7.1 %	235,669	16.1 %	102,995	9.8 %	355,859	16.7 %
$100,001–250,000	49,683	5.6 %	319,260	21.7 %	112,756	10.7 %	697,920	32.7 %
Over $250,000	7,705	0.9 %	249,261	17.0 %	15,884	1.5 %	429,424	20.1 %
Total	893,274	100.0 %	$ 1,468,091	100.0 %	1,053,468	100.0 %	$ 2,133,199	100.0 %

Source: Utah State Tax Commission, for full-year residents only.

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the State's revenue. The most current period available for personal income tax information is calendar year 2011.

Personal Income Tax Rates **Schedule B–4**
Last Ten Calendar Years

	Calendar Year		
	2003 to 2005	**2006 to 2007** [1] [2]	**2008 to 2012** [3]
	Single and Married Filing Separately		
Tax Rate	2.30 %	2.30 %	—
Taxable Income Levels ..	$0–863	$0–1,000	—
Tax Rate	3.30 %	3.30 %	—
Taxable Income Levels ..	$864–1,726	$1,001–2,000	—
Tax Rate	4.20 %	4.20 %	—
Taxable Income Levels ..	$1,727–2,588	$2,001–3,000	—
Tax Rate	5.20 %	5.20 %	—
Taxable Income Levels ..	$2,589–3,450	$3,001–4,000	—
Tax Rate	6.00 %	6.00 %	—
Taxable Income Levels ..	$3,451–4,313	$4,001–5,500	—
Tax Rate	7.00 %	6.98 %	—
Taxable Income Levels ..	Over $4,313	Over $5,500	—
Tax Rate	—	5.35 %	5.00 %
	Married Filing Joint, Head of Household, and Qualifying Widow(er)		
Tax Rate	2.30 %	2.30 %	—
Taxable Income Levels ..	$0–1,726	$0–2,000	—
Tax Rate	3.30 %	3.30 %	—
Taxable Income Levels ..	$1,727–3,450	$2,001–4,000	—
Tax Rate	4.20 %	4.20 %	—
Taxable Income Levels ..	$3,451–5,176	$4,001–6,000	—
Tax Rate	5.20 %	5.20 %	—
Taxable Income Levels ..	$5,177–6,900	$6,001–8,000	—
Tax Rate	6.00 %	6.00 %	—
Taxable Income Levels ..	$6,901–8,626	$8,001–11,000	—
Tax Rate	7.00 %	6.98 %	—
Taxable Income Levels ..	Over $8,626	Over $11,000	—
Tax Rate	—	5.35 %	5.00 %

Source: Utah State Tax Commission

Note: The Utah State Legislature can raise the income tax rates by legislation, no vote of the populace is required; *Utah Constitution* , Article XIII, Section 5.

[1] The Legislature increased income levels and lowered the maximum tax rate effective for calendar year 2006.

[2] The Legislature passed an option for the taxpayer to use the single rate of 5.35% or the tax tables for calendar year 2007.

[3] The Legislature passed a single tax rate for all taxpayers beginning with calendar year 2008.

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Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

(Expressed in Millions)

	Fiscal Year			
	2004	**2005**	**2006**	**2007**
Governmental Activities				
General Obligation Bonds	$ 1,589	$ 1,588	$ 1,437	$ 1,284
State Building Ownership Authority Lease Revenue Bonds	339	312	296	275
Capital Leases	23	21	20	18
Contacts/Notes Payable	—	8	8	7
Total Governmental Activities	1,951	1,929	1,761	1,584
Business-type Activities				
Student Assistance Revenue Bonds	1,398	1,545	2,138	2,138
State Building Ownership Authority Lease Revenue Bonds	24	31	38	37
Water Loan Recapitalization Revenue Bonds	1	—	—	—
Contacts/Notes Payable	—	—	—	—
Total Business-type Activities	1,423	1,576	2,176	2,175
Total Primary Government [1]	$ 3,374	$ 3,505	$ 3,937	$ 3,759
Debt as a Percentage of Personal Income [1]	5.31 %	5.03 %	5.21 %	4.44 %
Amount of Debt Per Capita (expressed in dollars)	$ 1,367	$ 1,376	$ 1,506	$ 1,392
Net General Obligation Bonded Debt				
General Obligation Bonds	$ 1,589	$ 1,588	$ 1,437	$ 1,284
Net General Obligation Bonded Debt as a Percentage of Taxable Property Value [2]	1.23 %	1.17 %	0.99 %	0.76 %
Amount of Net General Obligation Bonded Debt Per Capita (expressed in dollars) [1]	$ 644	$ 623	$ 550	$ 476

Sources: Utah State Administrative Services, Division of Finance; Utah State Tax Commission – Property Tax; and Utah Governor's Office of Management and Budget – Demographics.

Note: Debt includes principal, premiums, discounts, and deferred amounts on refundings.

[1] Ratios are calculated using personal income and population data. See Schedule D–1 for personal income and population data. During 2010 to 2012, the State issued just under $1 billion in General Obligation bonds to take advantage of historically low interest rates and ease budget constraints for highway and building construction projects.

[2] The percentage of Net General Obligation Bonded Debt based upon taxable property value is presented for comparative purposes. The State does not presently levy ad valorem property taxes for General Obligation Bonded Debt, but is authorized to do so in accordance with Title 59, Chapter 2, Part 901 of the *Utah Code* . See Schedule C–3 for taxable property value.

Fiscal Year					
2008	**2009**	**2010**	**2011**	**2012**	**2013**
$ 1,198	$ 1,563	$ 2,410	$ 3,256	$ 3,660	$ 3,361
162	149	239	223	213	200
19	19	28	26	24	23
1	1	—	—	—	—
1,380	1,732	2,677	3,505	3,897	3,584
2,165	2,235	1,389	1,243	970	1,274
51	75	98	95	90	85
—	—	68	67	62	58
—	297	811	648	552	—
2,216	2,607	2,366	2,053	1,674	1,417
$ 3,596	$ 4,339	$ 5,043	$ 5,558	$ 5,571	$ 5,001
4.04 %	4.93 %	5.59 %	5.89 %	5.62 %	4.88 %
$ 1,304	$ 1,586	$ 1,817	$ 1,975	$ 1,953	$ 1,727
$ 1,198	$ 1,563	$ 2,410	$ 3,256	$ 3,660	$ 3,361
0.59 %	0.70 %	1.13 %	1.59 %	1.82 %	1.67 %
$ 434	$ 571	$ 868	$ 1,157	$ 1,283	$ 1,161

Other Long-Term Liabilities
Last Ten Fiscal Years

(Expressed in Thousands)

	Fiscal Year			
	2004	**2005**	**2006**	**2007**
Governmental Activities				
General Obligation Bonds [1]	$ 1,510,160	$ 1,514,510	$ 1,377,390	$ 1,237,170
State Building Ownership Authority Lease Revenue Bonds	335,941	308,898	293,226	273,538
Net Unamortized Premiums	108,594	101,395	83,347	66,581
Deferred Amounts on Refunding	(26,966)	(25,361)	(21,546)	(17,732)
Capital Leases	22,902	20,931	19,644	18,228
Contracts/Notes Payable [2]	—	8,527	7,936	6,941
Compensated Absences [3]	139,594	140,029	148,762	185,630
Postemployment Benefits [4]	240,538	—	—	—
Claims	40,423	44,673	46,725	44,755
Pollution Remediation Obligation [2]	—	—	—	—
Arbitrage Liability	—	—	—	109
Net Other Post Employment Benefit Obligation	—	—	—	—
Settlement Obligations	—	—	—	—
Total Governmental Activities	2,371,186	2,113,602	1,955,484	1,815,220
Business-type Activities				
Student Assistance Revenue Bonds [5]	1,397,460	1,544,830	2,138,085	2,137,655
State Building Ownership Authority Lease Revenue Bonds	23,330	30,672	37,814	36,552
Water Loan Recapitalization Revenue Bonds	1,060	—	—	—
Net Unamortized Premiums	237	1,061	988	879
Deferred Amounts on Refunding	—	(464)	(415)	(365)
Contracts/Notes Payable [6]	—	—	—	—
Claims and Uninsured Liabilities	5,201	6,025	4,960	4,678
Arbitrage Liability	61,766	66,411	67,845	72,487
Total Business-type Activities	1,489,054	1,648,535	2,249,277	2,251,886
Total Primary Government Other Long-term Liabilities	$ 3,860,240	$ 3,762,137	$ 4,204,761	$ 4,067,106

Note: Details regarding the liabilities listed above can be found in Note 10. Long-term Liabilities in the financial statements.

[1] Beginning in 2010, the State elected to issue bonds for highway and building construction projects to take advantage of historically low interest rates and ease budget constraints.

[2] Beginning in 2008 the Pollution Remediation Obligation is no longer reported in the financial statements as part of Contracts Payable under Governmental Activities. This obligation is now being reported as Pollution Remediation Obligation per the implementation of Governmental Accounting Standards Board (GASB) Statement 49, *Accounting and Financial Reporting for Pollution Remediation Obligations.*

[3] During 2009, a new evaluation was performed in accordance with Governmental Accounting Standards Board (GASB) Statement 16, *Accounting for Compensated Absences* and as a result the total liability decreased.

[4] Beginning in 2005 the Postemployment Benefits liability is no longer reported in the financial statements in preparation for the implementation of Governmental Accounting Standards Board (GASB) Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions.*

[5] During 2012, the Student Assistance Programs advance refunded certain outstanding student loan revenue bonds to manage its interest costs.

[6] During 2010, the Student Assistance Programs began participating in the U.S. Department of Education Loan Participation Purchase Program. The program was created to assist lenders in obtaining financing for student loans during 2008–2010 academic years.

Fiscal Year					
2008	**2009**	**2010**	**2011**	**2012**	**2013**
$ 1,161,510	$ 1,492,620	$ 2,299,300	$ 3,128,890	$ 3,487,680	$ 3,225,435
161,614	148,654	236,629	220,380	210,384	198,485
51,011	80,962	119,694	162,003	200,979	159,882
(13,621)	(10,151)	(7,080)	(31,904)	(26,248)	(22,546)
18,769	19,210	27,542	25,799	24,270	23,213
559	512	484	466	446	9,758
186,581	162,689	162,120	182,543	185,701	185,711
—	—	—	—	—	—
41,285	43,650	41,897	42,731	44,700	48,190
7,842	7,687	7,690	7,083	6,640	6,222
—	—	—	—	—	—
—	3,918	5,693	7,142	5,439	5,206
—	—	39,422	38,926	34,007	25,020
1,615,550	1,949,751	2,933,391	3,784,059	4,173,998	3,864,576
2,165,180	2,235,322	1,388,922	1,218,390	930,422	1,240,407
50,246	73,676	96,476	92,445	88,161	83,795
—	—	65,800	65,800	61,205	56,545
1,117	1,491	4,093	29,092	16,917	13,143
(318)	(267)	(221)	(994)	25,445	23,413
—	297,381	811,354	647,842	552,423	—
5,786	14,941	19,105	16,179	17,866	18,694
65,945	57,782	50,214	11,968	10,000	—
2,287,956	2,680,326	2,435,743	2,080,722	1,702,439	1,435,997
$ 3,903,506	$ 4,630,077	$ 5,369,134	$ 5,864,781	$ 5,876,437	$ 5,300,573

Legal Debt Margin
Last Ten Fiscal Years

(Expressed in Millions)

	Fiscal Year			
	2004	**2005**	**2006**	**2007**
Taxable Property, Taxable Value [1]	$ 129,345	$ 135,827	$ 144,519	$ 168,812
Taxable Property, Fair Market Value [1]	$ 176,541	$ 185,620	$ 198,983	$ 233,013
Debt Limit (Fair Market Value times 1.5%)	1.50%	1.50%	1.50%	1.50%
Debt Limit Amount	2,648	2,784	2,985	3,495
Net General Obligation Bonded Debt [2]	1,589	1,588	1,437	1,284
Legal Debt Margin	$ 1,059	$ 1,196	$ 1,548	$ 2,211
Net General Obligation Bonded Debt As a Percentage of the Debt Limit Amount	60.01 %	57.04 %	48.14 %	36.74 %

Source: Utah State Tax Commission.

Note: Article XIV, Section 5 of the *Utah Constitution* authorizes general obligation debt for purposes as authorized by the Legislature. Section 1 of the Article limits outstanding state general obligation debt to 1.5 percent of the fair market value of the taxable property in the State. Net General Obligation Bonded Debt includes premiums, discounts, and deferred amounts on refundings.

[1] Taxable property is assessed January 1 of each year. The value used for the fiscal year limitation is from the prior calendar year; assessed values as of January 1, 2012, are used for fiscal year 2013.

[2] During 2010 to 2012, the State issued General Obligation bonds to take advantage of low interest rates and ease budget constraints.

Statutory Debt Limit
Last Ten Fiscal Years

(Expressed in Thousands)

	Fiscal Year			
	2004	**2005**	**2006**	**2007**
Appropriations Limitation Amount	$ 1,856,205	$ 1,956,584	$ 2,099,609	$ 2,276,693
Limit (Appropriations Limitation Amount times applicable percentage) [1]	45.00%	45.00%	45.00%	45.00%
Statutory Debt Limit Amount	835,292	880,463	944,824	1,024,512
Net General Obligation Bonded Debt	1,588,810	1,587,804	1,436,845	1,284,023
Less: Exempt Highway Construction Bonds	(980,811)	(957,093)	(877,979)	(790,567)
Net General Obligation Bonded Debt Subject to Statutory Debt Limit	607,999	630,711	558,866	493,456
Additional General Obligation Debt Incurring Capacity	$ 227,293	$ 249,752	$ 385,958	$ 531,056

Source: Utah State Administrative Services, Division of Finance.

Note: Article XIV, Section 5 of the *Utah Constitution* authorizes general obligation debt for purposes as authorized by the Legislature. In addition, Title 63J-3-402 of the *Utah Code* limits outstanding state general obligation debt to not exceed the applicable percentage (unless approved by more than two-thirds of both houses of the Legislature) of that fiscal year's appropriations limit. Net General Obligation Bonded Debt includes premiums, discounts, and deferred amounts on refundings.

[1] The 2004 Legislature made changes to the calculation of the appropriations limit which also necessitated changing the applicable percentage from 20 to 45 percent, effective for fiscal year 2004.

Schedule C–3

Fiscal Year					
2008	**2009**	**2010**	**2011**	**2012**	**2013**
$ 201,774	$ 224,689	$ 212,423	$ 205,284	$ 201,473	$ 201,294
$ 282,176	$ 311,525	$ 291,460	$ 280,846	$ 274,806	$ 272,954
1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
4,233	4,673	4,372	4,213	4,122	4,094
1,198	1,563	2,410	3,256	3,660	3,361
$ 3,035	$ 3,110	$ 1,962	$ 957	$ 462	$ 733
28.30 %	33.45 %	55.12 %	77.28 %	88.79 %	82.10 %

Schedule C–4

Fiscal Year					
2008	**2009**	**2010**	**2011**	**2012**	**2013**
$ 2,477,629	$ 2,515,576	$ 2,657,135	$ 2,849,469	$ 3,033,826	$ 3,141,740
45.00%	45.00%	45.00%	45.00%	45.00%	45.00%
1,114,933	1,132,009	1,195,711	1,282,261	1,365,222	1,413,783
1,198,172	1,562,815	2,409,939	3,256,114	3,660,089	3,360,901
(763,583)	(1,079,270)	(1,860,685)	(2,698,330)	(3,131,784)	(2,869,046)
434,589	483,545	549,254	557,784	528,305	491,855
$ 680,344	$ 648,464	$ 646,457	$ 724,477	$ 836,917	$ 921,928

Pledged Revenue Bond Coverage

Schedule C–5

Last Ten Fiscal Years

(Expressed in Thousands)

Fiscal Year	Gross Revenues [1]	Less Operating Expenses [2]	Net Available Revenue	Debt Service		Coverage [3]
				Principal	Interest	
Water Loan Programs [4]						
2013	$ 13,464	$ 10,838	$ 2,626	$ 4,660	$ 2,297	0.38
2012	$ 13,710	$ 16,974 [5]	$ (3,264)	$ 4,595	$ 2,371	(0.47)
2011	$ 10,584	$ 35,939	$ (25,355)	$ —	$ 2,424	(10.46)
2010	$ 13,875	$ 31,213	$ (17,338)	$ —	$ 862	(20.11)
2009	$ —	$ —	$ —	$ —	$ —	—
2008	$ —	$ —	$ —	$ —	$ —	—
2007	$ —	$ —	$ —	$ —	$ —	—
2006	$ —	$ —	$ —	$ —	$ —	—
2005	$ 9,796	$ 8,611	$ 1,185	$ 1,060	$ 37	1.08
2004	$ 9,160	$ 6,613	$ 2,547	$ 1,580	$ 117	1.50
Student Assistance Programs [6]						
2013	$ 44,378	$ 27,914	$ 16,464	$ 208,715	$ 9,747	0.08
2012	$ 25,404	$ 14,904	$ 10,500	$ 797,350	$ 10,620	0.01
2011	$ 27,188	$ (20,137) [7]	$ 47,325	$ 557,894	$ 20,655	0.08
2010	$ 70,616	$ 42,470	$ 28,146	$ 966,668	$ 35,967	0.03
2009	$ 84,465	$ 25,658	$ 58,807	$ 121,358	$ 62,839	0.32
2008	$ 129,255	$ 19,682	$ 109,573	$ 72,145	$ 98,154	0.64
2007	$ 146,108	$ 33,211	$ 112,897	$ 430	$ 97,729	1.15
2006	$ 118,044	$ 37,810	$ 80,234	$ 40,420	$ 64,807	0.76
2005	$ 83,093	$ 31,944	$ 51,149	$ 3,710	$ 33,404	1.38
2004	$ 67,550	$ 35,645	$ 31,905	$ 43,640	$ 18,797	0.51

Note: Details regarding the State's outstanding bonds can be found in Note 10. Long-term Liabilities in the financial statements.

[1] Revenues for Water Loan Programs are primarily interest on revolving loan receivables. Revenues for Student Assistance Programs are primarily interest on student loans and federal allowances.

[2] Operating Expenses do not include interest, depreciation, or amortization expenses.

[3] Coverage equals net available revenue divided by debt service.

[4] Between years 2006 and 2009, the State did not issue any water loan recapitalization bonds. Current year revenues were insufficient to cover program expenses for fiscal years between 2010 and 2012.

[5] The total amount of grants issued were significantly less than in prior years.

[6] Only the Student Loan Purchase Program bonds are presented.

[7] During 2011, the Student Assistance Programs had a substantial decrease in its provision for interest arbitrage rebate of $37.2 million on its 1988 and 1993 revenue bonds.

Demographic and Economic Indicators

Schedule D–1

Last Ten Calendar Years

Calendar Year	Population (in Thousands) Utah Number	Utah Change	U.S. Number	U.S. Change	Unemployment Rate Utah	U.S.	Utah Net Migration
2004	2,469	2.3 %	293,638	1.0 %	5.0 %	5.5 %	18,367
2005	2,547	3.2 %	296,507	1.0 %	4.2 %	5.1 %	40,647
2006	2,615	2.7 %	299,200	0.9 %	3.0 %	4.6 %	28,730
2007	2,700	3.3 %	302,040	0.9 %	2.7 %	4.6 %	44,252
2008	2,758	2.1 %	304,992	1.0 %	3.7 %	5.8 %	16,648
2009	2,735	(0.8) %	307,800	0.9 %	7.1 %	9.3 %	3,700
2010	2,775	1.5 %	310,100	0.7 %	8.0 %	9.6 %	4,500
2011	2,814	1.4 %	312,300	0.7 %	6.7 %	8.9 %	2,300
2012	2,853	1.4 %	314,600	0.7 %	5.7 %	8.1 %	2,300
2013 (est.)	2,895	1.5 %	317,000	0.8 %	4.5 %	7.6 %	5,000

Calendar Year	Personal Income (in Millions) Utah Amount	Utah Change	U.S. Amount	U.S. Change	Per Capita Income (in Dollars) Utah Amount	Utah Change	U.S. Amount	U.S. Change
2004	$ 63,565	7.0 %	$ 9,727,200	6.2 %	$ 25,745	4.6 %	$ 33,127	5.1 %
2005	$ 69,744	9.7 %	$ 10,269,750	5.6 %	$ 27,383	6.4 %	$ 34,636	4.6 %
2006	$ 75,598	8.4 %	$ 10,993,900	7.1 %	$ 28,909	5.6 %	$ 36,744	6.1 %
2007	$ 84,709	12.1 %	$ 11,894,000	8.2 %	$ 31,374	8.5 %	$ 39,379	7.2 %
2008	$ 88,902	4.9 %	$ 12,391,000	4.2 %	$ 32,234	2.7 %	$ 40,627	3.2 %
2009	$ 87,947	(1.1)%	$ 11,930,000	(3.7)%	$ 32,156	(0.2)%	$ 38,759	(4.6)%
2010	$ 90,250	2.6 %	$ 12,322,000	3.3 %	$ 32,523	1.1 %	$ 39,736	2.5 %
2011	$ 94,401	4.6 %	$ 12,947,000	5.1 %	$ 33,547	3.1 %	$ 41,457	4.3 %
2012	$ 99,140	5.0 %	$ 13,407,000	3.6 %	$ 34,749	3.6 %	$ 42,616	2.8 %
2013 (est.)	$ 102,571	3.5 %	$ 13,767,000	2.7 %	$ 35,430	2.0 %	$ 43,429	1.9 %

Source: Population—Utah Population Estimates Committee at July 1 each year. The 2013 estimate is from the Utah Revenue Assumption Committee.

Source: Unemployment Rate—Utah Department of Workforce Services. The 2013 estimate is from the Utah Revenue Assumption Committee.

Source: Utah Net Migration—Utah Population Estimates Committee at July 1 each year. The 2013 estimate is from the Utah Revenue Assumption Committee.

Source: Personal Income—U.S. Department of Commerce, Bureau of Economic Analysis, and Utah Department of Workforce Services. The 2013 estimate is from the Utah Revenue Assumption Committee.

Note: Per Capita Income is calculated by dividing total personal income by population. Amounts may not be exact due to rounding.

Principal Employers

Schedule D–2

Most Current Calendar Year and Historical Comparison

Entity Name	Calendar Year 2003 Number of Employees	Rank	Percent of All Employees	Calendar Year 2012 Number of Employees	Rank	Percent of All Employees
Intermountain Health Care (IHC)	20,000 +	1	2.5 %	20,000 +	1	2.5 %
State of Utah	20,000 +	2	2.0 %	20,000 +	2	1.7 %
University of Utah (includes Hospital)	15,000 – 19,999	3	1.6 %	20,000 +	3	1.7 %
Brigham Young University	15,000 – 19,999	4	1.5 %	15,000 – 19,999	4	1.4 %
Wal-Mart Stores	10,000 – 14,999	6	0.9 %	15,000 – 19,999	5	1.3 %
Hill Air Force Base	10,000 – 14,999	5	1.3 %	10,000 – 14,999	6	1.2 %
Davis County School District	5,000 – 6,999	10	0.6 %	7,000 – 9,999	7	0.7 %
Granite School District	7,000 – 9,999	7	0.9 %	7,000 – 9,999	8	0.7 %
Smith's Food and Drug Center				5,000 – 6,999	9	0.6 %
Alpine School District				5,000 – 6,999	10	0.5 %
Convergys	7,000 – 9,999	8	0.9 %			
Jordan School District	7,000 – 9,999	9	0.9 %			
Total Employees of Principal Employers	140,000		13.1 %	154,000		12.3 %

Source: Utah Department of Workforce Services.

Note: Number of employees is based on a calendar year average.

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Composition of Labor Force
Last Ten Calendar Years

	Calendar Year			
	2003	**2004**	**2005**	**2006**
Nonagricultural Jobs				
Government	196,537	198,877	202,307	204,483
Mining	6,670	7,083	8,473	10,024
Construction	67,599	72,631	81,685	95,164
Manufacturing	112,291	114,765	117,246	123,064
Trade, Transportation, and Utilities	213,970	219,212	225,938	234,797
Information	30,016	30,272	32,105	32,541
Financial Activity	64,674	65,040	67,583	71,469
Professional and Business Services	131,910	138,220	146,704	154,834
Education and Health Services	118,379	123,282	128,605	134,410
Leisure and Hospitality	99,634	102,031	104,223	108,477
Other Services	32,451	32,915	33,451	34,651
Total Nonagricultural Jobs	1,074,131	1,104,328	1,148,320	1,203,914
Civilian Labor Force	1,207,436	1,237,055	1,276,378	1,318,473
Total Employed	1,139,129	1,174,797	1,223,248	1,279,453
Unemployed	68,307	62,258	53,130	39,020
Unemployment Rate	5.7 %	5.0 %	4.2 %	3.0 %

Source: Utah Department of Workforce Services and the Utah Revenue Assumption Committee.

Calendar Year					
2007	**2008**	**2009**	**2010**	**2011**	**2012**
206,868	211,710	214,679	216,828	220,772	223,298
11,034	12,506	10,694	10,442	11,659	12,553
103,450	90,469	70,492	65,223	65,166	69,231
127,695	125,852	112,879	111,075	113,684	116,667
245,672	247,978	234,098	229,108	233,251	241,815
32,448	30,747	29,570	29,276	29,495	31,295
74,739	74,050	71,092	67,981	68,391	69,537
161,022	162,194	149,532	152,335	159,420	167,268
139,991	146,617	150,866	155,001	159,210	163,590
112,821	114,813	110,859	110,662	113,512	118,640
35,542	35,534	34,028	33,625	34,090	35,054
1,251,282	1,252,470	1,188,789	1,181,556	1,208,650	1,248,948
1,356,550	1,368,182	1,383,202	1,371,148	1,338,259	1,353,597
1,319,784	1,317,082	1,285,134	1,262,083	1,248,197	1,276,249
36,766	51,100	98,068	109,065	90,062	77,348
2.7 %	3.7 %	7.1 %	8.0 %	6.7 %	5.7 %

Public Education Student Enrollment (K–12)

Last Ten Academic Years

	Academic Year			
	2003–04	**2004–05**	**2005–06**	**2006–07**
Elementary	266,666	273,163	283,972	294,202
Secondary	220,272	222,519	226,040	229,801
Total All Grades	486,938	495,682	510,012	524,003

Source: State of Utah Office of Education

Note: Public Education Student Enrollment count is based on October 1st counts.

Public Higher Education Enrollment

Last Ten Academic Years

	Academic Year			
	2004–05	**2005–06**	**2006–07**	**2007–08**
University of Utah	30,479	30,558	30,511	29,797
Utah State University [1]	23,908	23,107	23,623	24,421
Weber State University	18,875	18,334	18,642	18,306
Southern Utah University	6,672	6,859	7,029	7,057
Salt Lake Community College	25,711	25,551	25,129	25,144
Utah Valley University	24,149	24,487	23,305	23,840
Dixie State College of Utah [2]	8,564	9,114	5,967	5,944
College of Eastern Utah	2,471	2,179	2,220	2,444
Snow College	4,108	4,113	4,179	3,745
Utah College of Applied Technology	25,817	25,199	19,389	19,595
Total All Institutions	170,754	169,501	159,994	160,293

Source: Utah State Board of Regents

Note: Utah Higher Education Enrollment count is based on fall semester third week headcounts.

[1] Includes USU-Eastern (formerly College of Eastern Utah) beginning in 2011-12.

[2] Dixie State College of Utah included summer term headcounts for academic years prior to 2006–07.

Schedule D–4

Academic Year					
2007–08	**2008–09**	**2009–10**	**2010–11**	**2011–12**	**2012–13**
303,807	314,676	322,704	329,111	334,110	340,443
233,846	236,694	240,569	247,134	253,635	260,542
537,653	551,370	563,273	576,245	587,745	600,985

Schedule D–5

Academic Year					
2008–09	**2009–10**	**2010–11**	**2011–12**	**2012–13**	**2013–14**
30,228	31,407	30,833	31,673	32,398	32,080
23,925	25,065	25,767	28,994	28,786	27,812
21,674	23,331	24,126	25,483	26,680	25,301
7,516	8,066	8,024	7,750	8,297	7,745
29,866	33,774	33,983	33,167	30,112	31,137
26,696	28,765	32,670	33,395	31,556	30,564
6,443	7,911	8,755	9,086	8,863	8,350
2,082	2,173	2,634	—	—	—
3,798	4,368	4,386	4,465	4,599	4,605
20,321	18,831	18,476	15,536	15,418	14,851
172,549	183,691	189,654	189,549	186,709	182,445

Full-Time Equivalent State Employees by Function
Last Ten Fiscal Years

	Fiscal Year			
	2004	**2005**	**2006**	**2007**
General Government				
Government Operations [1]	1,295	1,292	1,345	2,074
Tax Commission	846	844	852	764
All Other	127	132	147	152
Human Services and Juvenile Justice Services	4,630	4,697	4,644	4,521
Corrections	2,228	2,234	2,319	2,316
Public Safety				
Department of Public Safety	1,211	1,182	1,159	1,151
Utah National Guard	252	245	247	246
State Courts	1,056	1,073	1,077	1,077
Health and Environmental Quality				
Department of Health	1,271	1,289	1,295	1,231
Department of Environmental Quality	397	403	406	382
Employment and Family Services [2]	1,993	1,999	1,931	1,729
Natural Resources	1,266	1,273	1,319	1,304
Heritage and Arts [1 2]	262	251	188	187
Business, Labor, and Agriculture	703	712	716	706
Education				
Public Education Support	1,088	1,129	1,176	1,159
Higher Education Support	154	177	200	230
Transportation	1,829	1,762	1,768	1,691
Total Full-time Equivalent State Employees	20,608	20,694	20,789	20,920

Source: Utah State Administrative Services, Division of Finance

[1] In fiscal year 2006, Legislative action created the Governor's Office of Economic Development; this action shifted employees from heritage and arts to the government operations function.

[2] In fiscal year 2013, Legislative action moved the Housing and Community Development Division from the heritage and arts to the employment and family services function.

Fiscal Year					
2008	**2009**	**2010**	**2011**	**2012**	**2013**
2,114	2,084	2,018	1,976	2,024	2,069
777	763	723	719	716	718
157	154	157	152	159	165
4,546	4,464	4,155	3,935	3,907	3,955
2,377	2,439	2,271	2,243	2,244	2,265
1,153	1,202	1,218	1,241	1,275	1,314
237	239	196	214	226	243
1,112	1,096	1,068	1,042	1,038	1,031
991	988	950	937	923	933
385	383	384	376	372	376
2,030	2,062	2,066	2,041	1,912	1,872
1,330	1,361	1,350	1,361	1,302	1,304
188	191	193	190	169	117
722	715	691	686	701	722
1,168	1,178	1,170	1,137	1,094	1,119
223	205	171	195	204	213
1,716	1,685	1,637	1,612	1,604	1,603
21,226	21,209	20,418	20,057	19,870	20,019

Operating Indicators by Function
Last Ten Fiscal Years

	Fiscal Year			
	2004	**2005**	**2006**	**2007**
General Government				
Government Operations				
Construction Projects Managed	844	782	828	909
Tax Commission				
Percent of Data Managed Electronically	42.1 %	48.3 %	54.4 %	58.9 %
Number of Returns Filed Electronically	409,249	482,443	565,851	640,365
Motor Vehicle Registrations (in thousands)	2,657	2,732	2,818	2,955
Human Services and Juvenile Justice Services				
Food Stamp Recipients [1]	211,480	225,685	230,288	214,164
Percent of Population	8.6 %	8.9 %	8.8 %	7.9 %
Juveniles, Daily Average in Justice System Placement	1,203	1,239	1,128	1,150
Rate of Recommitment to Juvenile Custody	9.4 %	7.3 %	9.5 %	6.8 %
Corrections				
Incarcerated Offenders [1]	5,875	6,148	6,325	6,502
Supervised Offenders [1]	11,519	11,798	12,158	11,521
Utah Incarceration Rate (per 100,000 population)	246	240	240	246
US Incarceration Rate (per 100,000 population)	486	488	497	445
State Courts [2]				
State Court Filings	294,376	300,049	283,724	275,020
State Court Dispositions	317,015	339,664	263,703	240,180
Health				
Children's Health Insurance Program Enrollment	28,443	28,924	35,259	31,998
Medicaid Eligible (unduplicated)	276,813	286,983	287,559	274,710
Percent of Population	11.2 %	11.3 %	11.0 %	10.2 %
Employment and Family Services				
Individuals Registered for Employment	256,934	266,105	250,855	202,642
Percent Who Entered Employment	61 %	66 %	70 %	72 %
Natural Resources				
Hatchery Fish, Pounds Raised	930,071	893,497	1,062,512	993,323
Hunting and Fishing Licenses Sold (in thousands) [1] [3]	366,256	366,341	415,066	438,286
State Park Visitations (in thousands)	4,414	4,299	4,532	4,676
Business, Labor, and Agriculture				
Department of Commerce				
Licenses and Registrations Issued [4]	257,140	262,216	291,162	309,106
Department of Agriculture and Food				
Dairy Farm Inspections	1,087	1,089	1,054	769
Pounds of Turkey Inspected and Graded (in thousands)	69,371	92,650	88,544	85,954
Gas Pumps and Scales Inspected	22,510	37,892	26,394	21,423
Higher Education				
Number of Certificates and Degrees Awarded	30,801	30,093	30,463	30,182
Transportation				
Percent of Roads Which are Deficient (see page 139) [1]	6.2 %	6.3 %	11.3 %	12.4 %
Vehicles Weighed or Inspected (in thousands)	5,456	5,528	5,796	6,358

Source: Various departments of the State and Utah State Board of Regents.

Note: N/A = Not Available

[1] Data is provided on a calendar year basis.

[2] State Courts includes filings and dispositions for the appellate, district, and juvenile courts; it does not include the justice courts which are operated by cities and counties.

[3] Includes only licenses for elk, deer, fishing and all other big game. Year 2013 is an estimate.

[4] Includes professional, occupational, real estate, and securities licenses. Does not include corporation and other business registrations or filings.

Fiscal Year					
2008	**2009**	**2010**	**2011**	**2012**	**2013**
946	841	847	898	849	815
62.9 %	65.3 %	70.5 %	77.0 %	75.5 %	78.1 %
725,293	748,879	777,485	863,907	946,606	997,329
2,779	2,759	2,681	2,583	2,725	2,759
224,313	293,151	363,714	394,170	404,316	389,426
8.1 %	10.7 %	13.1 %	14.0 %	14.2 %	13.5 %
1,132	1,105	1,023	946	928	923
7.3 %	7.2 %	8.3 %	6.9 %	6.4 %	5.9 %
6,489	6,521	6,692	6,812	6,893	N/A
12,519	12,423	12,702	12,906	12,759	N/A
232	232	232	238	242	N/A
509	504	502	500	492	N/A
270,684	369,830	367,541	348,548	329,176	324,523
225,362	369,772	341,626	312,953	309,307	309,420
32,101	38,036	41,503	38,498	37,872	35,446
267,378	298,372	325,204	340,805	361,457	366,061
9.7 %	10.9 %	11.7 %	12.1 %	12.7 %	12.6 %
211,906	283,692	317,998	316,703	351,629	318,008
74 %	71 %	59 %	56 %	59 %	61 %
964,630	1,106,719	1,334,782	1,240,499	1,058,375	1,180,927
599,691	607,875	598,474	661,239	659,534	682,594
4,549	4,624	4,620	4,821	5,051	5,054
314,894	321,943	308,717	315,238	325,769	333,646
718	743	667	718	678	N/A
81,945	55,685	77,257	106,016	45,869	N/A
19,631	22,216	15,548	21,499	20,492	15,231
33,608	26,990	28,639	30,199	31,553	N/A
13.9 %	13.1 %	14.7 %	10.9 %	10.9 %	N/A
6,278	4,790	4,686	4,622	4,807	6,071

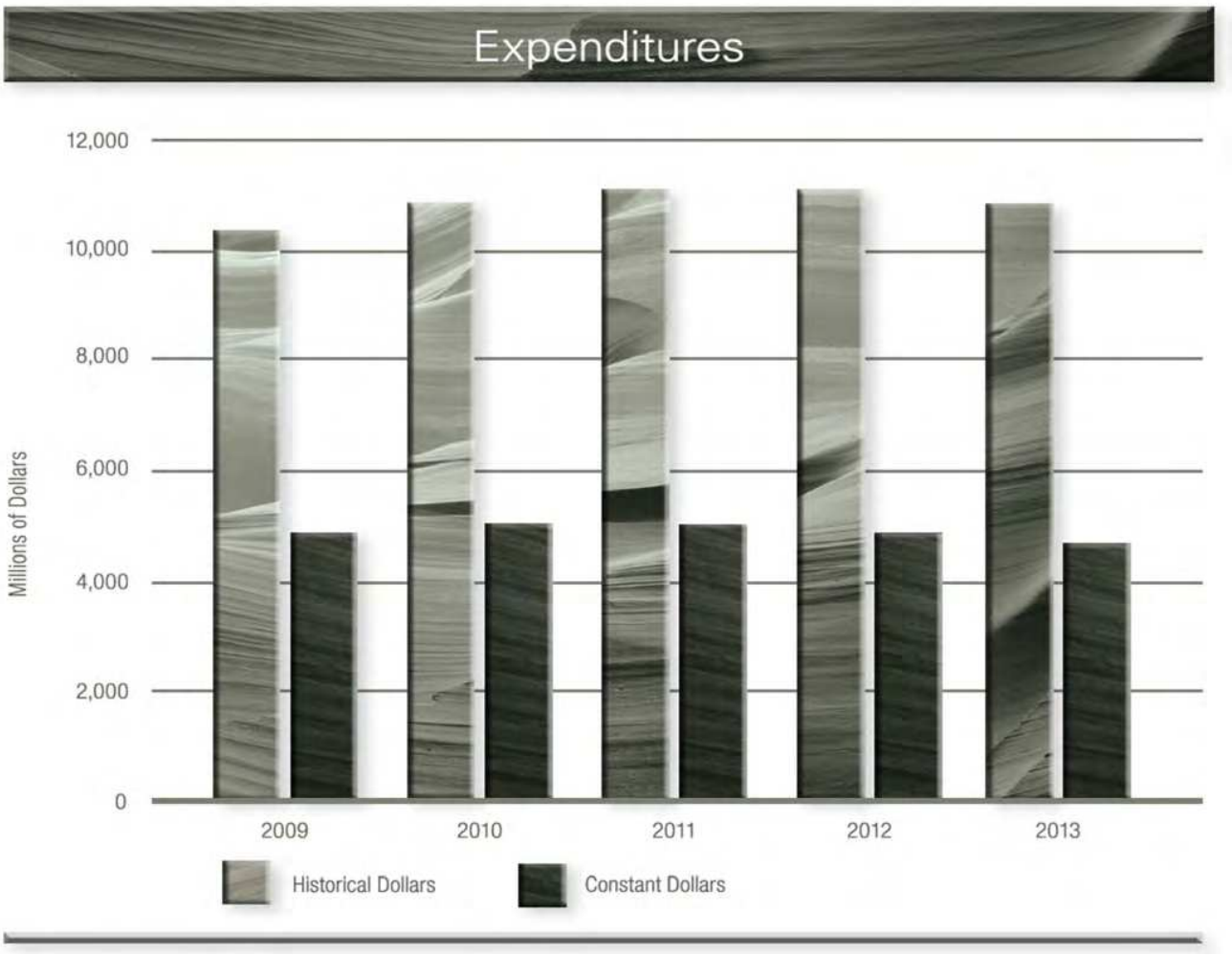
Capital Asset Statistics by Function
Last Ten Fiscal Years

	Fiscal Year			
	2004	**2005**	**2006**	**2007**
General Government				
Buildings	313	319	319	288
Vehicles	7,368	7,354	7,376	7,376
Data Processing Equipment and Software	2,048	2,116	2,179	2,156
Reproduction and Printing Equipment	1,013	1,011	1,011	948
Human Services and Juvenile Justice Services				
Data Processing Equipment and Software	84	86	75	72
Corrections				
Data Processing Equipment and Software	185	188	192	189
Security and Surveillance Equipment	43	41	40	43
Public Safety				
Department of Public Safety				
Vehicles	22	28	35	28
Data Processing Equipment and Software	117	129	135	121
Medical and Lab Equipment	116	122	133	140
Utah National Guard				
Buildings	201	202	204	192
State Courts				
Data Processing Equipment and Software	151	80	85	86
Audio Visual Equipment	163	188	190	190
Health and Environmental Quality				
Department of Health				
Data Processing Equipment and Software	214	229	215	216
Medical and Lab Equipment	172	189	204	203
Department of Environmental Quality				
Monitoring and Lab Equipment	247	279	295	304
Employment and Family Services				
Department of Workforce Services				
Data Processing Equipment and Software	289	351	370	424
Natural Resources				
Division of Parks and Recreation				
State Parks	39	40	42	42
Buildings	634	626	622	642
Vehicles	248	258	269	296
Division of Wildlife Resources				
Wildlife Management Areas	87	87	87	87
Fish Hatcheries	11	11	11	11
Buildings	192	167	167	164
Vehicles	107	117	136	142
Business, Labor, and Agriculture				
Data Processing Equipment and Software	91	100	94	94
Monitoring and Lab Equipment	101	107	108	107
Transportation				
Highway Center Line Miles	5,733	5,724	5,680	5,777
Buildings	308	315	336	343
Vehicles	701	737	770	812
Heavy Equipment	1,991	2,158	2,346	2,462

Source: Utah State Administrative Services, Division of Finance and various agencies of the State.

Fiscal Year					
2008	**2009**	**2010**	**2011**	**2012**	**2013**
289	290	299	305	311	314
7,437	7,256	7,266	7,323	7,309	7,360
2,302	2,448	2,437	2,541	2,691	2,794
1,020	994	1,003	1,065	1,127	1,165
61	45	64	52	52	59
230	219	226	218	216	216
52	55	59	59	67	59
28	28	34	34	35	35
127	182	200	222	230	247
146	147	174	184	187	193
192	193	206	213	215	221
95	95	105	64	64	64
191	190	192	192	145	146
211	216	147	143	127	131
228	218	257	287	303	288
313	327	316	349	376	384
458	464	449	422	389	396
42	42	42	43	43	43
667	681	684	719	722	727
292	315	329	333	332	332
87	92	92	92	92	92
11	11	11	11	11	11
165	163	166	175	180	181
189	193	208	212	201	202
99	91	94	97	102	117
106	106	105	108	111	111
5,754	5,699	5,753	5,772	5,724	5,719
345	358	361	386	387	391
832	832	824	838	844	861
2,543	2,544	2,538	2,549	2,574	2,582

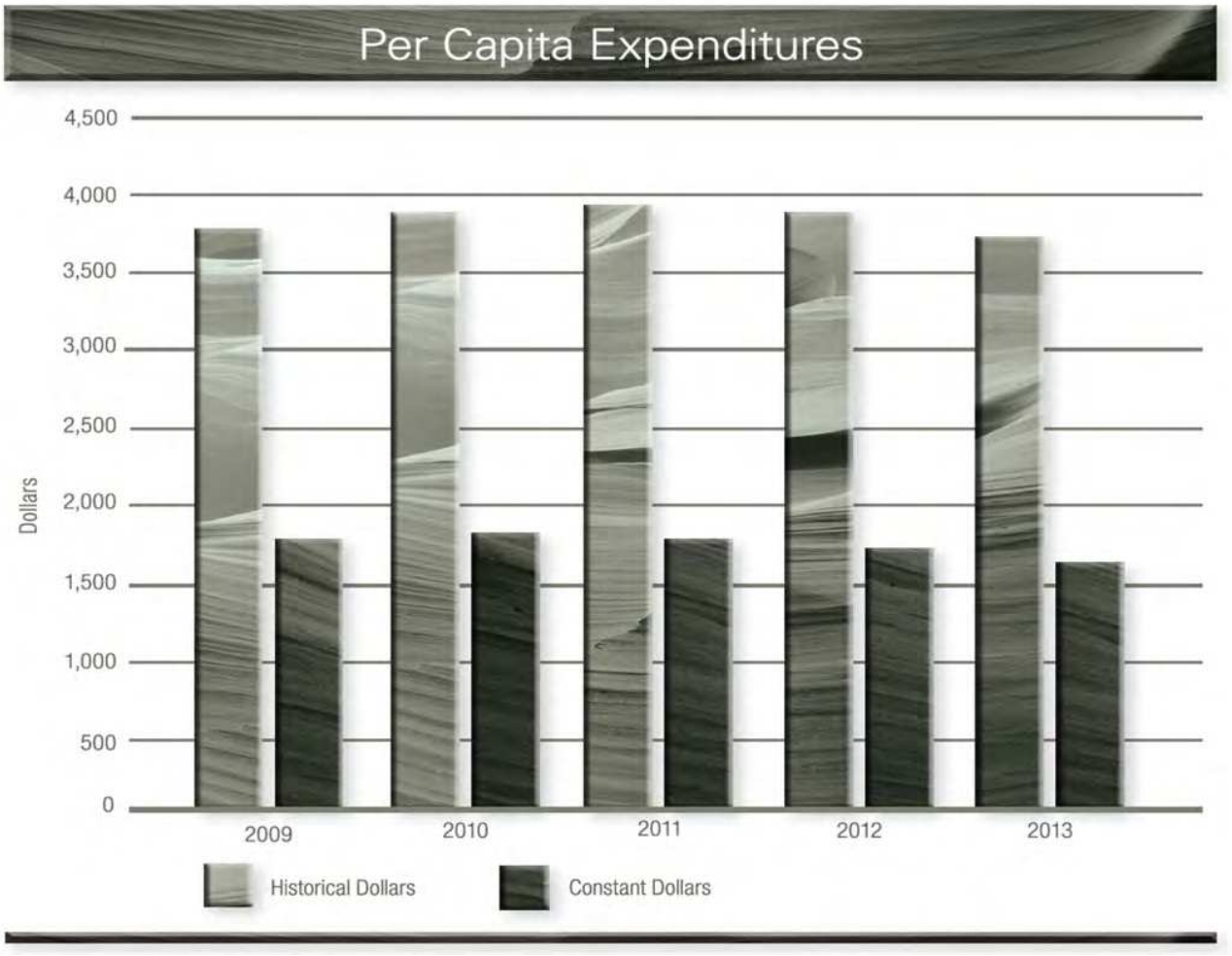
Expenditures — Historical and Constant Dollars **Schedule F–1**
All Governmental Fund Types
Last Five Fiscal Years



Fiscal Year	Historical Dollars		Constant Dollars	
	(in Millions)	Change	(in Millions)	Change
2009	$ 10,357	5.6 %	$ 4,826	4.1 %
2010	$ 10,840	4.7 %	$ 5,006	3.7 %
2011	$ 11,068	2.1 %	$ 5,006	0.0 %
2012	$ 11,114	0.4 %	$ 4,884	(2.4)%
2013	$ 10,827	(2.6)%	$ 4,699	(3.8)%

Source: Constant Dollars are derived using the Consumer Price Index for all urban consumers, base year 1982–84 = 100.

Per Capita Expenditures — Historical and Constant Dollars **Schedule F–2**
All Governmental Fund Types
Last Five Fiscal Years



Fiscal Year	Per Capita Expenditures			
	Historical Dollars	Change	Constant Dollars	Change
2009	$ 3,787	6.5 %	$ 1,765	5.1 %
2010	$ 3,906	3.1 %	$ 1,804	2.2 %
2011	$ 3,933	0.7 %	$ 1,779	(1.4)%
2012	$ 3,896	(0.9)%	$ 1,712	(3.8)%
2013	$ 3,740	(4.0)%	$ 1,623	(5.2)%

Source: Constant Dollars are derived using the Consumer Price Index for all urban consumers, base year 1982–84 = 100.

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State of Utah Comprehensive Annual Financial Report 2013

STATE OF UTAH
Department of Administrative Services
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